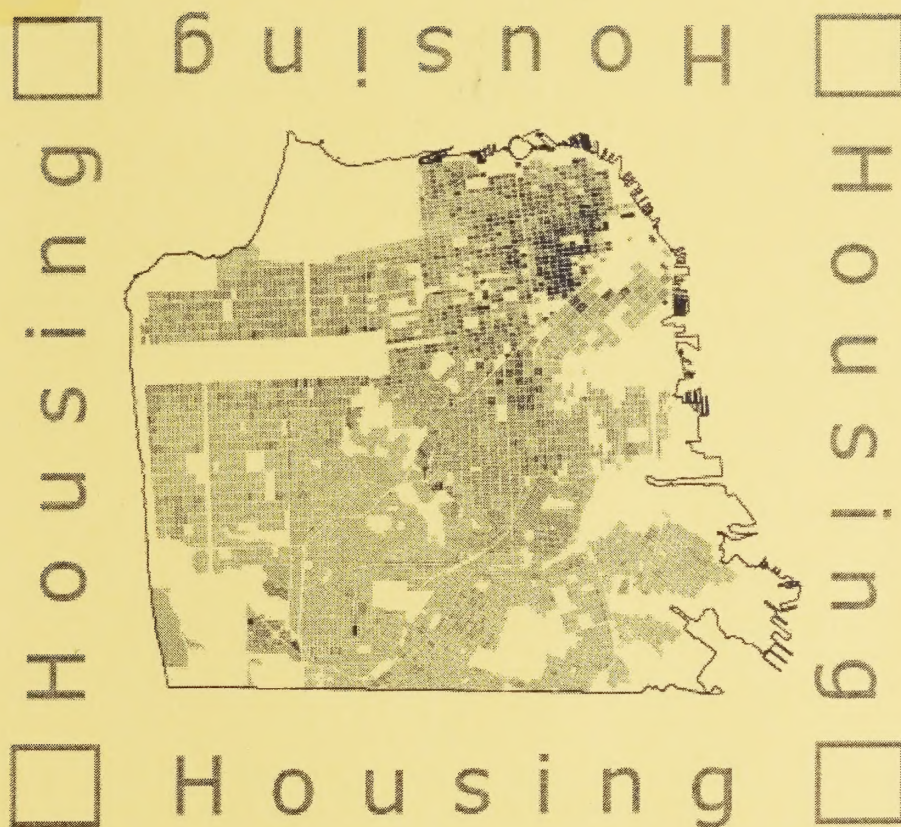


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HOUSING ELEMENT

An Element of the
San Francisco General Plan

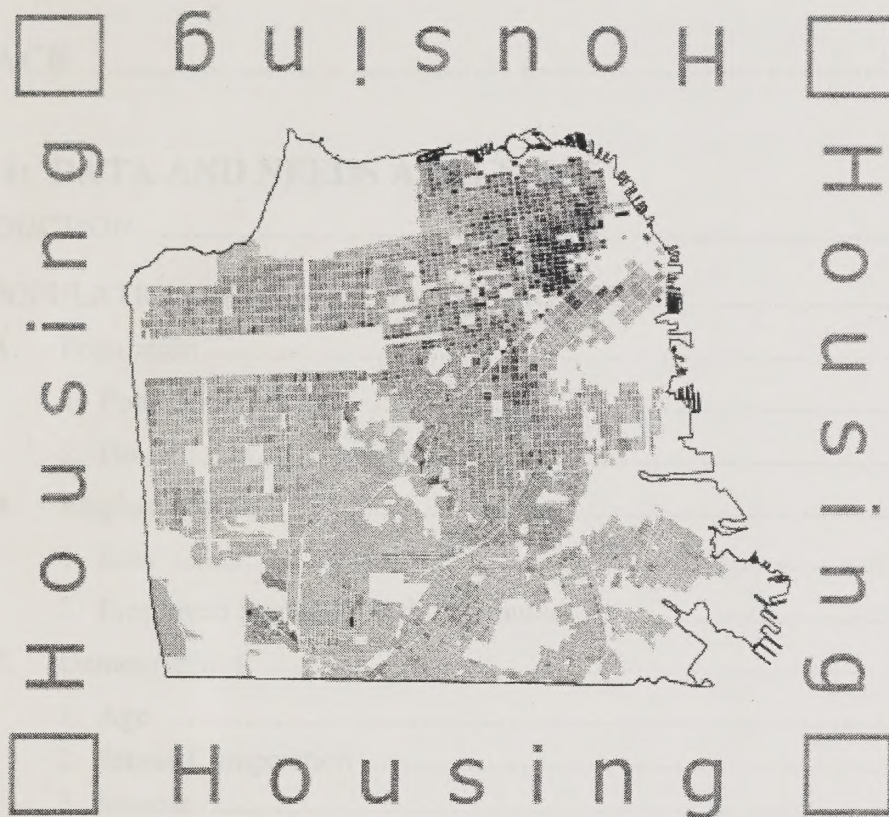
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HOUSING ELEMENT

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HOUSING ELEMENT

PREFACE

The Housing Element is a major piece of San Francisco's General Plan that seeks to ensure adequate housing for current and future San Franciscans. It details objectives and policies that address a growing housing demand that is further intensified by the City's limited land supply. It also tackles the pressure of economic inequality, seeking to make certain that housing is affordable to a wide range of household incomes.

The Housing Element consists of two parts. Part I contains the background data and needs analysis. Part II lists objectives and policies and describes the programs to be carried out over the next five years to implement these objectives and policies.

Data and Needs Analysis

Part I: Data and Needs Analysis contains background information for policy formulation. It describes and analyzes changes in San Francisco population, households, and housing stock characteristics. It analyzes existing and projected housing needs resulting from job growth and population and household projections. It identifies the needs of special user groups such as the homeless, physically disabled, elderly, minorities, families with children, and artists, and specifies the housing affordability levels needed by these households. Part I also contains an inventory of land suitable for residential development and examines potential constraints to meeting the City's housing needs. It notes that meeting the estimated housing need will require a rate of housing production many times greater than what has been achieved in previous years.

Objectives, Policies and Implementing Programs

Part II contains a comprehensive set of housing objectives and policies which are the framework for decision making, priority setting, and program implementation. It continues many existing City housing policies that emphasize affordable housing production, permanent affordability, and

the protection of the existing housing stock. New policies strive to expand land capacity necessary to increase housing production, will direct new housing to appropriate locations, especially in areas well served by transit and other urban amenities, and will underscore design and density controls that enhance existing neighborhoods' character.

Two General Plan priority policies form the basis upon which inconsistencies in this Element and other parts of the General Plan are resolved. These are:

- That the City's supply of affordable housing be preserved and enhanced.
- That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

The Implementation Programs are a broad range of proposed housing programs to implement the General Plan housing objectives and policies. These include many ongoing programs as well as newly required efforts. Implementation of these programs involves various city agencies, including the City Planning Department, the Mayor's Office of Housing, the Redevelopment Agency, the Board of Supervisors and the Planning Commission, the San Francisco Housing Authority, the Bureau of Building Inspection, the City Attorney's Office, the Rent Stabilization Board, and the Human Rights Commission. Implementation of city housing policies also depends on the support and coordination with community housing organizations, non-profit and for-profit housing developers, and the citizens of San Francisco.

HOUSING ELEMENT PART I: DATA AND NEEDS ANALYSIS

INTRODUCTION

The *Data and Needs Analysis* is the first of two sections of San Francisco's revised Housing Element. The information presented is the basis for the following sections of the Element that seek to address housing needs identified by this effort, culminating in the formulation of citywide housing policy.

This section contains a description and analysis of San Francisco's population and employment trends; existing housing characteristics; overall housing need, including special needs groups; and capacity for new housing based on land supply and site opportunities.

Information is presented on trends since the 1990 Housing Element was published and on expected developments of the next five years, at which time the Housing Element will be updated. Primary data sources include the 2000 Census for existing conditions, projections published by the Association of Bay Area Governments (ABAG), and extensive independent analysis by the Planning Department.

I. POPULATION AND EMPLOYMENT TRENDS

Housing needs in San Francisco are affected primarily by population and employment trends. The 1990s was a period of growth for San Francisco. Over the ten-year period, population grew 7.3% (52,774 new people) and employment 8.6% (49,680 new jobs). Much of this growth occurred in the later part of the decade, as the City's economy dramatically recovered from the recession of the early 1990s that saw over 30,000 jobs lost.

San Francisco's tight housing market notwithstanding, and as many more unrelated San Franciscans shared accommodations, the 2000 Census revealed no change in the average household size. The median age of San Francisco residents has also risen since 1990, as the "baby-boom" generation ages.

San Francisco continues to be a culturally and racially diverse place. Although the 1990 Census revealed that all "minority" ethnic groups combined, represented a majority of the city's population, the 2000 Census marks the first time in modern history that no single racial group constitutes a majority of the population. Although a robust economy has generated considerable wealth and opportunity for many in the San Francisco Bay Area, many city residents have not shared these economic gains, and over 26% of San Francisco households still earn less than 50% of the region's median income.

A. POPULATION

1. Population Change

After decades of decline, the City's population began growing again by the 1980s (Table I-1). San Francisco's growth rate was higher from 1990-2000 (7.3%) than it was from 1980-1990 (6.6%), but is expected to taper considerably by 2010. ABAG projects growth that would bring San Francisco's population to 798,600 by 2005 and to 809,200 by 2010, an overall increase of 10,600 persons who will need to be housed over the next ten years (Graph I-1).

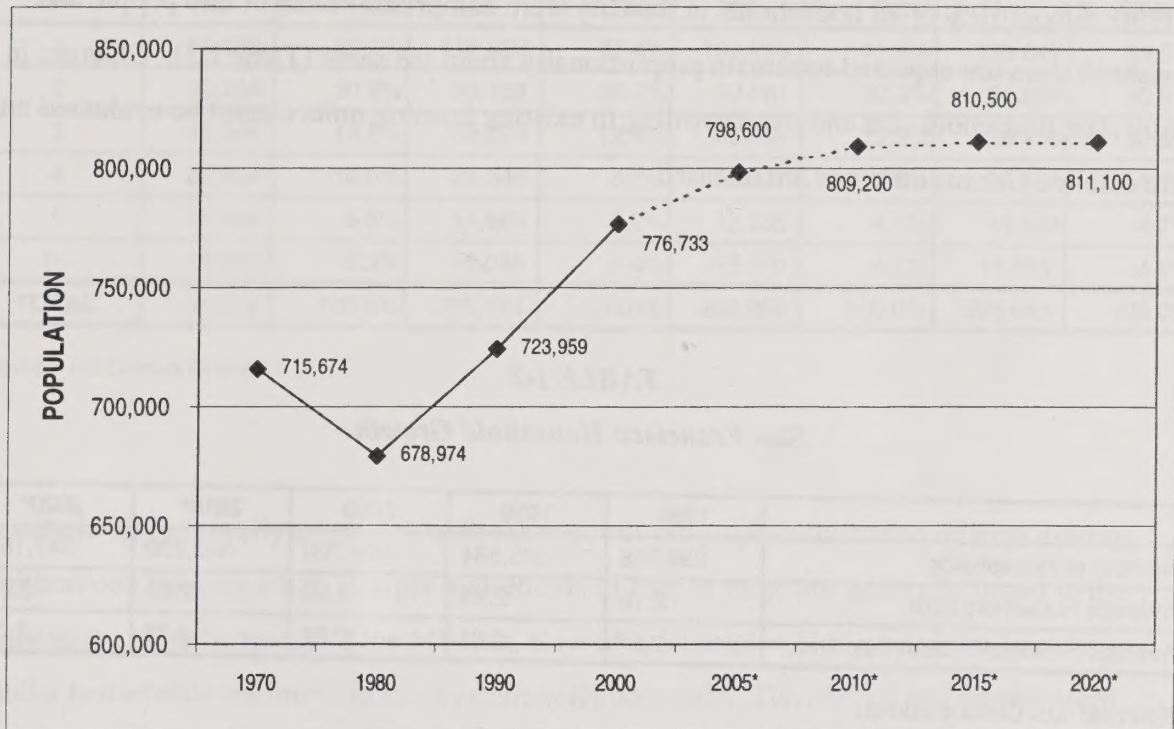
TABLE I-1
San Francisco Population Trends

	1980	1990	2000	% Change	
				1980-1990	1990-2000
Total Population	678,974	723,959	776,733	6.6%	7.3%
Household Population	654,511	699,330	756,976	6.8%	8.2%
Household Growth	298,956	305,584	329,700	2.2%	7.9%

Source: US Census Bureau
Housing Element Part 1

GRAPH I-1

San Francisco Population Trends and Projections



Sources: US Census Bureau

* Association of Bay Area Governments, ABAG Projections 2002

2. Household Characteristics

According to the 2000 Census, the number of San Francisco households grew from 305,584 in 1990 to 329,700, an increase of 24,116 new households or about 7.9% growth (Table I-2). The U.S. Bureau of the Census defines a household as all persons occupying a housing unit including single persons, single families, two or more families living together, or any other group of related or unrelated persons.” According to ABAG projections, the number of households will continue to increase, growing to 342,730 in 2010 or about 1,303 new households annually.

As shown in Table I-2, the average household size remained about the same in the last ten years and is still smaller than the Bay Area average. ABAG projects that the number of persons per household will be leveling off in the next 20 years.

In 1990, almost 70% of all households in the City were comprised of one or two people and household sizes are expected to remain proportionally about the same (Table I-3). Changes in family size, household size and overcrowding in existing housing units cannot be evaluated until more detailed Census numbers are released.

TABLE I-2
San Francisco Household Growth

	1980	1990	2000	2010*	2020*
Number of Households	298,956	305,584	329,700	342,730	347,180
Average Household Size	2.19	2.29	2.30	2.30	2.27
Average Household Size (Bay Area)	2.57	2.61	2.69	2.73	2.72

Sources: US Census Bureau

*ABAG Projections 2002

TABLE I-3
Changes in Household Size

Household Size	1960		1970		1980		1990	
	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total
1	98,399	33.7%	110,333	37.4%	123,915	41.4%	120,047	39.2%
2	90,154	30.9%	90,753	30.7%	90,681	30.3%	91,894	30.0%
3	42,344	14.5%	38,024	12.9%	36,554	12.2%	38,158	12.5%
4	29,304	10.0%	25,348	8.6%	23,321	7.8%	26,532	8.7%
5	16,204	5.5%	14,668	5.0%	12,335	4.1%	14,504	4.7%
6+	15,570	5.3%	16,048	5.4%	12,150	4.1%	14,849	4.9%
TOTAL	291,975	100.0%	295,174	100.0%	298,956	100.0%	305,984	100.0%

Source: US Census Bureau

Household size generally correlates with income, but geographically it also reflects existing neighborhood housing stock. Larger households of four or more are generally found in the southeastern neighborhoods of the Mission, Bayview, Visitacion Valley, and the Excelsior. Smaller households are found in the western neighborhoods. The central and northeastern portions of the city generally have households of two or less, with the residential population tapering off near the commercial and industrial areas of the Financial District and South of Market Street (Map I-1).

MAP I-1

Household Size Distribution in San Francisco

Household Size
by Block

- 1
- 2
- 3
- 4 and more
- Parks



San Francisco continues to have a comparatively small number of family households. According to the 2000 Census, family households comprised 44% of the total household population. This is considerably less than the Bay Area region average of almost 65% family households. Family households in San Francisco tend to be larger, averaging 3.22 persons per household.

TABLE I-4
Family and Non-family Households

	1990	2000
All Households	305,584	329,700
Family Households	141,790	145,186
As Percent of All Households	46.4%	44.0%
Bay Area Family Households as Percentage of All Households	n.a.	64.7%

Source: U.S. Census Bureau, ABAG

B. EMPLOYMENT

1. Jobs

Employment growth in San Francisco directly affects the demand for housing. As shown in Table I-5, total employment in San Francisco has been growing steadily since 1970.

TABLE I-5
San Francisco Employment Trends and Projections

Year	Number of Jobs	% Change
1970	494,129	
1980	552,200	11.8%
1990	579,180	4.9%
2000	634,430	9.5%
2010*	690,420	8.8%
2020*	745,600	8.0%

Source: US Census Bureau

** ABAG Projections 2002*

From 1990-2000, San Francisco experienced an overall job growth rate of 9.5%, an increase of over 55,000 jobs in 10 years. The City's population grew by 52,700 people in the same time period or almost a corresponding 1:1 growth ratio of people to jobs. Most of this job growth occurred in the latter part of the decade, as San Francisco recovered dramatically from a significant economic recession in the early 1990s that resulted in a loss of almost 30,000 jobs. The current employment forecasts from ABAG project a growth of almost 56,000 new jobs between 2000 and 2010 (about 8.8% growth) and an additional 55,180 new jobs by the year 2020 (8.0% increase).

As shown in Table I-6, much of the employment growth from 1990 to 2000 occurred in the service sector (52,000 new jobs). The construction industry also grew rapidly during this period (6,000 jobs).

TABLE I-6

Employment Growth 1990 – 2000, by Occupational Sectors

Industry	1990	1995	2000	% Change	
				1990-1995	1995-2000
Agriculture	2,300	2,220	700	-3.5%	-68.5%
Construction	16,350	15,810	22,420	-3.3%	41.8%
Manufacturing	39,790	40,440	30,540	1.6%	-24.5%
<i>High Technology*</i>	9,950	n/a	6,410	-35.6%	
Transportation	40,290	39,840	41,690	-1.1%	4.6%
Wholesale	30,560	24,020	23,450	-21.4%	-2.4%
Retail	80,120	75,860	94,450	-5.3%	24.5%
F I R E	75,400	71,350	74,480	-5.4%	4.4%
Services	229,470	231,190	281,510	0.7%	21.8%
<i>Business Services*</i>	68,200	na	83,660	22.7%	
Government	64,900	58,570	65,190	-9.8%	11.3%
TOTAL	579,180	559,300	634,430	-3.4%	13.4%

Source: ABAG Projections 2000

*High Technology is calculated under Manufacturing & Business Services in Services

Job growth in the service and retail sectors is expected to be strongest. By 2010, service sector jobs will increase by approximately 28,000 and in the retail sector by 8,200 (Table I-7). Change in the manufacturing and wholesale sectors will not be significant. Over the next 20 years, almost 111,200 new jobs will be created in San Francisco, more than any other city in the region. However, much of the growth in the service sector will be in low- to medium-skilled jobs such as cashiers, cooks, and general managers, with pay scales ranging from \$15,000 to \$70,000 a year (Table I-8).

TABLE I-7
Future Employment Growth

Industry	1990	2000	2010	2020	1990 - 2000		2000 - 2010		2000 - 2020	
					Change	% Change	Change	% Change	Change	% Change
Agriculture	2,300	700	700	700	(1,600)	-69.57%	-	0.00%	-	0.00%
Construction	16,350	22,420	24,080	26,150	6,070	37.13%	1,660	7.40%	3,730	16.64%
Manufacturing	39,790	30,540	32,990	35,710	(9,250)	-23.25%	2,450	8.02%	5,170	16.93%
Transportation	40,290	41,690	44,790	48,650	1,400	3.47%	3,100	7.44%	6,960	16.69%
Wholesale	30,560	23,450	25,340	27,430	(7,110)	-23.27%	1,890	8.06%	3,980	16.97%
Retail	80,120	94,450	102,620	110,730	14,330	17.89%	8,170	8.65%	16,280	17.24%
F I R E	75,400	74,480	80,010	86,900	(920)	-1.22%	5,530	7.42%	12,420	16.68%
Services	229,470	281,510	309,870	333,270	52,040	22.68%	28,360	10.07%	51,760	18.39%
Government	64,900	65,190	70,020	76,060	290	0.45%	4,830	7.41%	10,870	16.67%
TOTAL	579,180	634,430	690,420	745,600	55,250	9.54%	55,990	8.83%	111,170	17.52%

Source: ABAG Projections 2002

TABLE I-8
Typical Future Jobs and Their Wages

Job Classification	Mean Hourly Wage	Mean Annual Wage
Waiters & Waitresses	\$ 7.31	\$ 15,000.00
Food Preparation Work	\$ 8.41	\$ 17,490.00
Janitors & Cleaners	\$ 9.38	\$ 19,520.00
Guards & Watch Guards	\$ 9.62	\$ 20,010.00
Cashiers	\$ 9.63	\$ 20,030.00
Sales Person, Retail	\$ 9.79	\$ 20,360.00
Cooks	\$ 10.41	\$ 21,640.00
Receptionist & Information Clerks	\$ 11.03	\$ 22,940.00
Clerical & Admin. Support	\$ 14.03	\$ 29,180.00
Painters, Construction & Maintenance	\$ 16.57	\$ 34,460.00
Carpenters	\$ 20.86	\$ 43,390.00
Electricians	\$ 23.79	\$ 49,490.00
Systems Analysts, Electronic Data Processing	\$ 29.74	\$ 61,000.00
Construction Managers	\$ 32.58	\$ 67,770.00
General Managers & Top Executives	\$ 40.51	\$ 75,000.00

Source: EDD, Occupational Employment Statistics Survey

2. Employed Residents and Commuters

Employed residents in San Francisco dropped between 1990 and 1995, during the economic recession. However, that trend was dramatically reversed in the latter part of the decade with an increase of 65,051 employed residents from 1995-2000 (Table I-9). ABAG's *Projections 2002* indicate this trend will continue over the next 10 years with 22,850 additional employed residents.

TABLE I-9

Employed Residents Trend, 1990 - 2025

Year	Employed Residents	No. of Change	% Change
1990	391,292	11,492	-2.9%
1995	379,800		
2000	444,851	65,051	17.1%
2005	455,600	10,749	2.4%
2010	467,700	12,100	2.7%
2015	468,500	800	0.2%
2020	471,300	2,800	0.6%
2025	473,700	2,400	0.5%

Source : ABAG Projections 2002

The number of workers per household continued to increase from 1990 to 2000 (Table I-10). In part this reflects the increase in housing costs during this period. This trend is expected to peak at 1.4 workers per household by 2010, and level off thereafter.

TABLE I-10***Average Number of Workers per Household***

	1990	2000	2005	2010	2015	2020	2025
San Francisco	1.28	1.35	1.35	1.40	1.34	1.36	1.36
Bay Area Region	1.40	1.50	1.50	1.51	1.52	1.54	1.56

Source :ABAG Projections 2002

Commuters into San Francisco hold 47% of the jobs in the City. Over half of these workers commute into the City via the Bay Bridge corridor. The number of San Francisco jobs held by commuters and the estimated growth in commuting workers into the City through 2020 is shown on Table I-11 below. Between 1990 and 2000, commuters obtained 60% of new jobs in the City. In the next ten years, commuters are projected to take a smaller share of new San Francisco jobs.

TABLE I-11***Growth in Workers Commuting into San Francisco***

	1990	2000	2010
Commuters	250,909	280,863	313,239
San Francisco Residents	328,271	347,997	374,111
Total Jobs	579,180	628,860	687,350
% of Commuters	43.3%	44.7%	45.6%
Increase		49,680	58,490
Change in Commuters		29,954	32,376
% of Commuters		60.3%	55.4%

C. DEMOGRAPHICS

1. Age

Similar to nationwide trends, San Francisco's population is getting older as the baby boom generation ages. From 1990 to 2000, the 45-54 age group grew by 32,850 persons, or 30%, the highest growth rate of any group in the population (Table I-12). This group is also expected to increase by another 50,000 by the year 2010 (Graph I-2). Similarly, the 55-59 age group is expected to grow by 45% from year 2000 to 2010. San Francisco's population will see a significant decrease in the number of individuals aged 20-34 between 2000 and 2010 (103,000 less). The number of children under 10 years of age is projected to increase very slightly (only 9,000) over the next ten years.

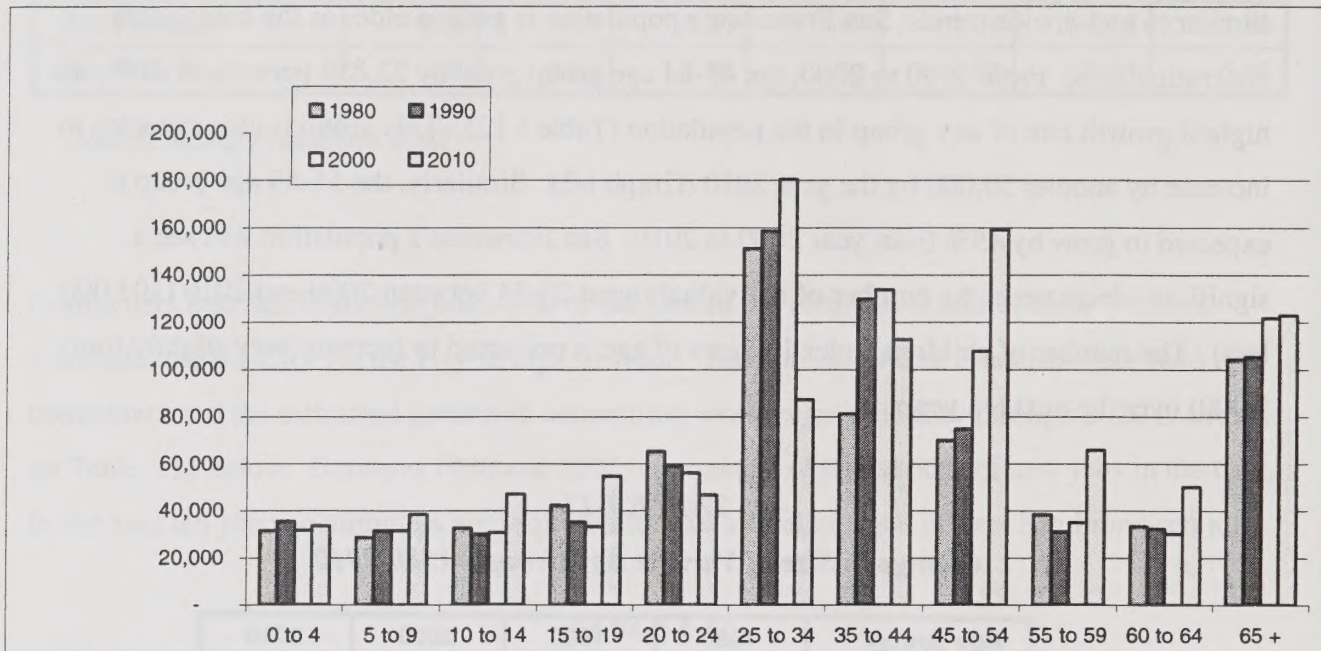
TABLE I-12
Change in Size of Various Age Groups, 1980-2010

Age Group	1980	1990	2000	2010
0 to 4	31,537	35,599	31,633	33,600
5 to 9	28,596	31,562	31,564	38,400
10 to 14	32,674	30,140	30,813	47,000
15 to 19	42,374	35,362	33,334	54,800
20 to 24	65,242	59,103	56,054	46,800
25 to 34	151,222	158,534	180,418	87,300
35 to 44	81,143	129,853	133,804	112,800
45 to 54	70,025	74,865	107,718	159,100
55 to 59	38,480	31,193	35,026	65,800
60 to 64	33,396	32,368	30,258	50,200
65 +	104,285	105,380	121,800	123,000
Total	678,974	723,959	792,422	818,800
Median Age	33.6	35.3	36.5	43.6

Source: US Census Bureau, ABAG Projections 2000

GRAPH I-2

San Francisco Population by Age Groups

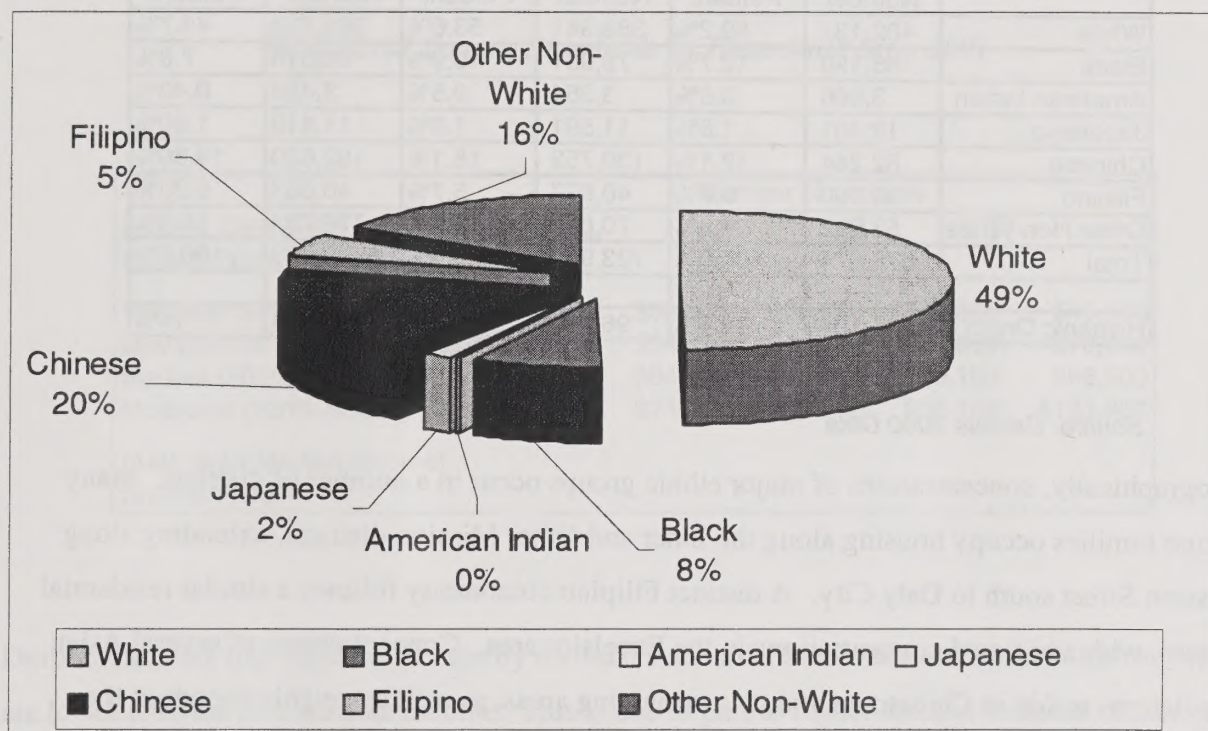


Source: U.S. Census, ABAG Projections 2000

2. Ethnic Composition

The ethnic composition of San Francisco's population continues to become more diverse (Graph I-3). People claiming non-white racial affiliation in the 2000 Census comprise over 50% of the City's population, up from 46% 10 years before. The number of San Franciscans identifying with Hispanic origins (of any race) has risen 30% in the last 20 years, while the number of Asian, Hawaiian, and Pacific Island residents has increased over 45% since the 1980 Census. The proportion of both Whites and African Americans fell since 1990 (Table I-13).

GRAPH I-3
2000 Racial Composition



Source: U.S. Census Bureau

TABLE I-13
Change in Population Ethnicity

	1980		1990		2000	
	Number	Percent	Number	Percent	Number	Percent
White	402,131	59.2%	388,341	53.6%	385,728	49.7%
Black	86,190	12.7%	78,931	10.9%	60,515	7.8%
American Indian	3,566	0.5%	3,354	0.5%	3,458	0.40%
Japanese	12,461	1.8%	11,591	1.6%	11,410	1.50%
Chinese	82,244	12.1%	130,753	18.1%	152,620	19.60%
Filipino	38,690	5.7%	40,977	5.7%	40,083	5.20%
Other Non-White	53,692	7.9%	70,012	9.7%	776,733	15.8%
Total	678,974	100.0%	723,959	100.0%	776,733	100.0%
Hispanic Origin	84,194	12.4%	96,640	13.3%	109,504	14%

Source: Census 2000 Data

Geographically, concentrations of major ethnic groups occur in a number of districts. Many Latino families occupy housing along the Inner and Outer Mission districts, extending along Mission Street south to Daly City. A distinct Filipino community follows a similar residential pattern, with additional concentrations in the Excelsior area. Concentrations of several Asian populations reside in Chinatown and its surrounding areas, as well as neighborhoods in the Richmond and Sunset Districts. Residential concentrations of African Americans occur in the Western Addition, South Bayshore, and Ingleside Districts. Vietnamese communities have a strong presence in the Tenderloin District north of Market Street, and neighborhoods throughout the Bayview and Visitacion Valley areas.

3. Income

The Department of Housing and Urban Development annually determines the area median income (AMI) for the San Francisco Primary Metropolitan Area, which includes the Counties of

San Francisco, Marin and San Mateo. This represents all household incomes for the area and is broken down by number of persons per household. For 2001, the median income for a single person family was over \$56,000.

TABLE I-14

Household Income Standards by Household Size, 2001

Income Categories (% of median income)	Number of persons				
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Very low (50% of AMI)	\$29,750	\$34,000	\$38,250	\$42,500	\$45,900
Low (80% of AMI)	\$47,600	\$54,400	\$61,200	\$68,000	\$73,450
Median (100% of AMI)	\$56,050	\$64,100	\$72,100	\$80,100	\$86,500
Moderate (120% of AMI)	\$67,250	\$76,900	\$86,500	\$96,100	\$103,800
(AMI: Area Median Income)					
Source: HUD					

Despite this very high median income by national standards, San Francisco households' incomes are lower than the area median income. This is due in part to higher median incomes in San Mateo and Marin Counties, and the concentrations lower-income families in the City.

According to the 2000 Census, the median household income for all households in San Francisco was just over \$55,200. Marin County's median household income of \$ 71,300 and San Mateo's \$70,800 are quite higher than the City's. Thus, roughly 40% of all San Francisco households make less than 80% of the San Francisco PMSA area median income, and fall under the Department of Housing and Urban Development (HUD)'s low and very low income categories (Table I-15). The City's per capita income is \$34,560 compared to Marin's \$44,960 and San Mateo's \$36,000. The City's median family income is higher than the household median income at about \$63,500.

TABLE I-15
Income Distribution

	Income Distribution			
	<u>Very Low</u> (<50% of median)	<u>Low</u> (50-80% of median)	<u>Moderate</u> (80-120% of median)	<u>Above Moderate</u> (>120% of median)
All SF Households	26.3%	14.1%	15.7%	43.9%
Median Income for SF, 2001	\$54,700			

Source: estimates from ACS, 1999

TABLE I-16
Changes in San Francisco Household and Family Income

	<u>1980</u>	<u>1990</u>	<u>2000*</u>
Household Income			
Median	\$15,867	\$33,414	\$47,962
Average	\$20,617	\$45,664	\$67,473
Family Income			
Median	\$20,911	\$40,561	\$55,439
Average	\$25,876	\$54,609	n/a
HUD Median Family Income (four person household)	\$23,400	\$45,600	\$80,100

*estimate from 1999 American Community Survey

II. HOUSING CHARACTERISTICS

This section provides background information on the physical and qualitative characteristics of San Francisco's housing stock. The City's housing stock is older than other West Coast cities, with over 50% of the City's housing units constructed before World War II. Totalling about 340,000 units, the City's housing stock is roughly divided into low, mid, and higher density structures. San Francisco's housing tends to be smaller in size, with 75 % of all units containing two bedrooms or less. San Francisco continues to be a city of renters, who occupy 65% of housing units in the City.

Over 10,000 new housing units were completed in San Francisco since 1991, 75% in structures with ten or more units. This is down from the previous ten-year figure of almost 15,000 units between 1981 and 1990. Since 1990, 25% of all new housing was constructed in industrial areas in the South of Market district. Most of these were live/work units, which represent almost 21% of all new housing from 1991-2000. It is difficult to produce an accurate estimate on the number of live/work units used as a primary residence, as they are classified as commercial uses by the Planning code.

Housing affordability continues to be a major concern to city households, as San Francisco has one of the least affordable housing markets in the nation. Although roughly 30% of new housing built since 1990 qualified as affordable, almost 80% of San Francisco households still could not afford the average monthly rent for a market rate two-bedroom apartment in 1999.

A. EXISTING HOUSING STOCK

San Francisco's 340,000 housing units consist of roughly equal proportions of low-density single family, two to nine unit medium density, and ten unit plus high-density buildings.

Approximately one-half of San Francisco's developable land is devoted to residential use. Of the residentially zoned acreage, a majority of the area (76%) is zoned for single family and two unit housing, at a density of approximately 10 to 29 units per acre.¹ Of housing built in 2000, 52% was constructed in some type of "R" residential district, whereas 23% percent was built on industrial or heavy commercial lands.

Fifty-four percent of San Francisco's housing stock was built prior to 1940. New construction since 1990 accounts for slightly more than 3% of the City's total housing stock. Housing added in the last twenty years represents approximately 7% of all units. Although older, most of the housing stock is in sound condition.

Dwelling units in San Francisco are generally small in size. In 1996, 75% of all units had two bedrooms or less. Less than 7% of all housing units had four or more bedrooms. These units were primarily in single-family homes and two unit residential flats. The City has not collected information on housing unit size since 1996.

While most single-family homes are owner occupied, roughly 65% of housing units in the City are occupied by renters. San Francisco's homeownership rates remain unchanged since 1990, and stands at 35%.

¹ Not including right of way and streets.

TABLE I-17
San Francisco Housing Characteristics

<u>Housing Stock</u>		339,579	<u>Age of Housing By Year Built</u>	
Single family	31%		1980-2000	7%
2-4 units	24%		1960-1979	14%
5-9 units	11%		1940-1959	25%
10-19 units	11%		1939+ earlier	54%
20+ units	23%			
<u>Unit Size*</u>			<u>Tenure Status</u>	
1 bedrm or less	44%		Owner Occupied	35%
2 bedrms	31%		Renter Occupied	65%
3 bedrms	18%			
4+ bedrms	7%			
* as of 1996				
Source: SF Planning Department				

MAP I-2

Predominant Housing Unit Size

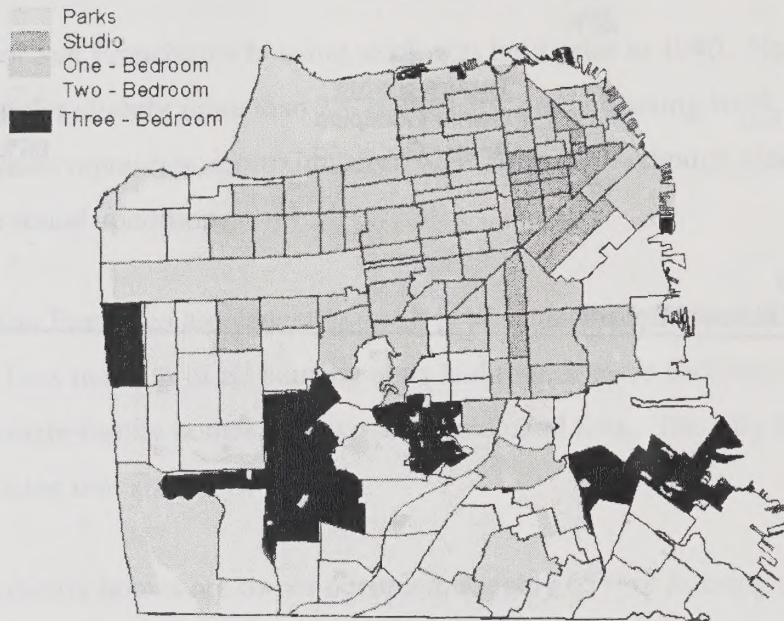


TABLE I-18*Housing Characteristics By Planning District*

Planning District	Single Family	2 to 4 Units	5 to 9 Units	10 + Units	District Total
1 Richmond	10,206	15,291	5,146	6,088	36,731
Percent	28%	41%	14%	17%	10.8%
2 Marina	2,737	5,885	3,690	13,290	25,602
Percent	11%	23%	14%	52%	7.5%
3 Northeast	1,456	6,999	6,403	21,620	36,478
Percent	4%	19%	18%	59%	10.7%
4 Downtown	90	402	507	24,675	25,674
Percent	0%	2%	2%	96%	7.6%
5 Western Addition	1,554	6,042	3,910	16,229	27,735
Percent	6%	22%	14%	59%	8.2%
6 Buena Vista	1,743	7,015	3,360	3,915	16,033
Percent	11%	44%	21%	24%	4.7%
7 Central	8,143	10,045	3,039	4,789	26,016
Percent	31%	39%	12%	18%	7.7%
8 Mission	2,333	8,775	4,255	6,662	22,025
Percent	11%	40%	19%	30%	6.5%
9 South of Market	2,117	2,748	1,411	7,272	13,548
Percent	16%	20%	10%	54%	4.0%
10 South Bayshore	6,654	1,754	913	621	9,942
Percent	67%	18%	9%	6%	2.9%
11 Bernal Heights	5,136	2,998	481	517	9,132
Percent	56%	33%	5%	6%	2.7%
12 South Central	19,491	2,712	1,032	1,921	25,156
Percent	77%	11%	4%	8%	7.4%
13 Ingleside	15,736	1,434	469	4,679	22,318
Percent	71%	6%	2%	21%	6.6%
14 Inner Sunset	9,717	4,212	1,484	2,591	18,004
Percent	54%	23%	8%	14%	5.3%
15 Outer Sunset	18,639	4,065	1,355	1,155	25,214
Percent	74%	16%	5%	5%	7.4%
CITYWIDE TOTAL	105,752	80,377	37,455	116,024	339,608
Percent	31%	24%	11%	34%	100.0%



Planning Areas of San Francisco

1. Changes In Housing Stock, 1990-2000

Accounting for new production, demolitions, and alterations, the city has seen a net change of 11,200 housing units in the last eleven years. From 1990 to 2000, a total of 12,434 new housing units have been completed at an annual rate of about 1,130 units per year (Table I-19). Housing production in San Francisco slowed in the early and mid 1990s due to the economic recession of the time. Net new units from 1992-1995 averaged only 650 per year. In the six years from 1995-2000, the city's housing stock grew by 5,532 units, or 922 per year. The last two years have seen an increase in the city's housing production, and the 1,626 units completed in 2000 represent the highest single year total since 1991.

2. Type and Location of New Construction

Downtown, the Western Addition, and South of Market areas absorbed most of the new housing development since 1990, accounting for 7,086 new units (57% of all new housing during that period). Since 1990, the total number of housing units in the South of Market planning area grew 31%. This figure includes live/work development during that time. Since 1998, the South of Market area has seen 864 new housing units completed. Other notable increases in housing stock by planning district were the Western Addition (9%), Bayshore (7%), and Downtown (5%).

Most of the new construction in the last 11 years has occurred in larger structures, with 84% of the housing developed in buildings with more than two units (Table I-20). From 1990-1996, unit size characteristics changed very little. In 1996, 56% of all housing units contained two or more bedrooms.

3. Pipeline

In addition to new housing completed recently, housing in the production pipeline is an important indicator of future development. For the purposes of this report, the Planning

Department defines the pipeline as those projects that have been approved by the Building Department within the past three years or filed within the past five years.

The department estimates that these projects could result in as many as 4,000 additional housing units in San Francisco in the next few years. This number does not include projects that will be filed and completed in the coming years, only those that have obtained approval. A more detailed discussion of expected housing production, as well as potential housing supply, is given in later sections of this report.

4. Live/Work

Although the City's Planning Code considers live/work units as commercial space, they serve as housing units and the Planning Department tracks information on live/work units in its annual housing inventory. In the ten years from 1991-2000, 2,133 live/work units were produced in San Francisco, and a total of 2,330 live/work units have been completed since 1987. Construction of live/work units surged in the past two years, as new units from 1999 and 2000 represent 35% of all new housing during that period. Over 71% of completed live/work units are located in the South of Market planning area.

Concerned with distortions in the housing supply and with the displacement of industry, the San Francisco Board of Supervisors passed a six-month moratorium on the construction of new live/work units in the city in February 2001. The temporary moratorium was intended to halt the approval of new projects while the impact of live/work units on the city's housing market and industrial lands was studied. This moratorium has since been extended several times. In August 1999, the Planning Commission adopted interim zoning controls for southeastern portions of the city aimed at preserving industrially zoned lands from competing uses. These controls created Industrial Protection Zones where new housing and live/work units are not allowed, and accompanying Mixed Use Districts where housing would be encouraged.

GRAPH I-4

S.F. Housing Trends: New Construction and Demolitions, 1990-2000

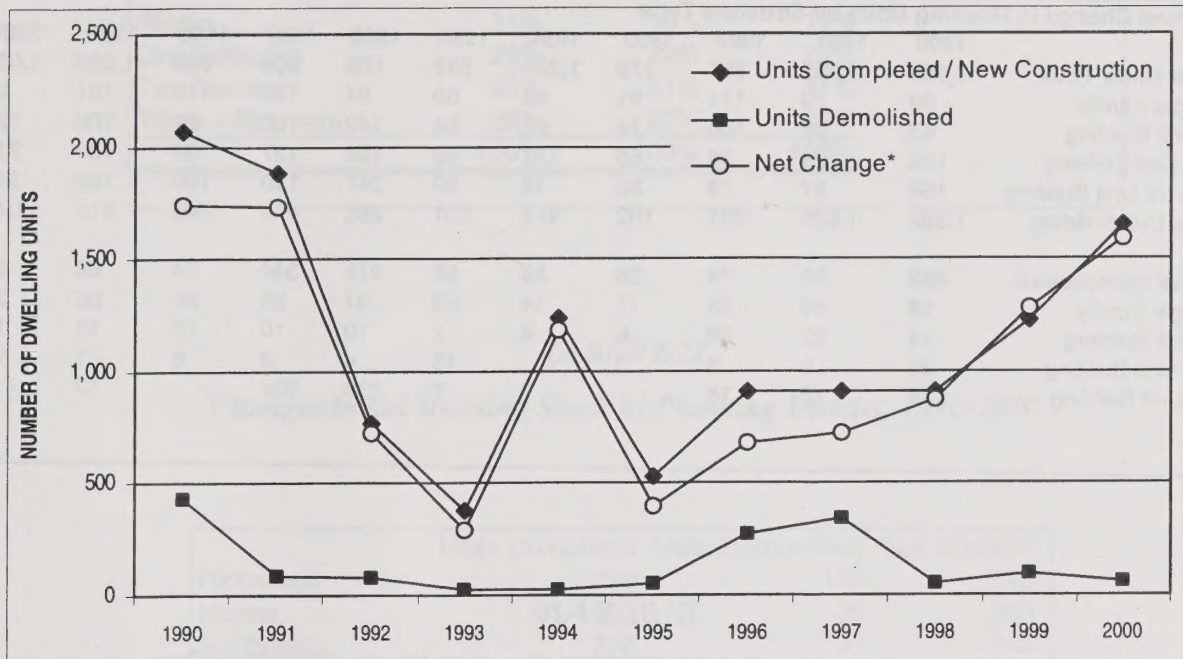


TABLE I-19

Annual Change in Housing Units by Structure Type, 1990-2000

Annual Change in Housing Units by Structure Type											
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
New Units Total	2,065	1,882	767	379	1,234	532	909	906	909	1,225	1,626
Single Family	89	79	111	51	63	69	84	165	117	181	99
2 Unit Building	48	62	100	74	62	54	142	100	60	106	122
3-9 Unit Building	190	129	96	56	121	89	159	127	96	160	217
10 - 19 Unit Building	156	87	79	36	16	89	241	110	190	162	141
20 + Unit Building	1,582	1,525	381	162	972	231	283	404	446	616	1,047
Units Demolished	433	90	76	26	25	55	278	344	54	98	61
Single Family	18	46	35	17	14	33	31	29	36	55	31
2 Unit Building	14	22	20	6	4	2	10	10	12	12	18
3-4 Unit Building	25	6	3	3	-	13	4	3	6	21	12
5+ Unit Building	376	16	18	-	7	7	233	302	-	10	-

TABLE I-20

Comparison of Existing Stock with New Construction by Building Type

	1980	1990	2000	New Construction 1990 to 2000
Single Family	32.3%	32.0%	31.3%	8.4%
Two Units	12.6%	24.0%	23.7%	7.3%
3 to 9 Units	20.8%	11.3%	11.1%	10.3%
10 + Units	34.3%	32.7%	34.0%	74.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

Source: U.S. Census; S.F. Planning Department

TABLE I-21
Existing Stock by Unit Size

	1980	1990	1996
Studio	11%	15%	15%
One Bedroom	29%	29%	29%
Two Bedroom	38%	31%	31%
Three + Bedroom	22%	25%	25%
	100%	100%	100%

TABLE I-22
Changes in the Housing Stock by Planning District, 1990-2000

	Units Completed	Units Demolished	Net Change*
Richmond	478	138	372
Marina	375	39	283
Northeast	752	31	702
Downtown	1,148	32	1,140
Western Addition	2,817	540	2,246
Buena Vista	174	205	(73)
Central	372	65	371
Mission	877	245	708
South of Market	3,147	40	3,404
South Bayshore	720	16	702
Bernal Heights	182	12	162
South Central	747	52	630
Ingleside	328	28	296
Inner Sunset	167	62	105
Outer Sunset	176	35	125
TOTALS	12,460	1,540	11,173

* Net Change includes Alterations.

5. Illegal New Construction

No information is currently available on the number of illegal secondary units that have been added to the City's housing stock.

6. Units Demolished

A total of 1,540 housing units were demolished between 1990 and 2000, with 433 units demolished in 1990. The number of units demolished from 1995-2000 totaled 890, or 148 per year. As shown in Table 23, 35% of all units demolished were located in the Western Addition and 16% in the Mission District.

Most of the 622 units demolished in 1996 and 1997 were older, larger public housing structures intended to be replaced by new public and affordable housing developments. Single-family homes represented 22% of residential units demolished from 1996-2000 (182 units), while housing in structures with 5 or more units comprised 65% of all units demolished in the same time period (545 units).

7. Other Changes to the Housing Stock

In addition to changes resulting from new construction and demolition, the quantity of housing in the City can be altered by other factors including the subdivision of units, dwelling unit mergers, elimination of illegal units via code enforcement, and units gained or lost by the conversion of an existing building's use, such as from commercial space to housing.

Since 1990, 306 net units have been added to the City's housing stock by some type of alteration. The majority of alterations that produce additional housing usually result in a single new unit. A small number of illegal units are also removed from the housing stock each year by code enforcement. A total of 494 housing units were removed in this fashion from 1991-2000. A total of 12 units were lost due to code enforcement in 2000.

The number of housing (excluding live/work units) units lost by conversion to non-residential uses has decreased dramatically over the last thirty years. Approximately 40 units were lost to such conversion from 1991-2000, whereas over 1,000 units were converted to non-residential uses in the decade from 1970-1980 (Table I-23). The reduction in the number of converted units stems from regulations that discourage the loss of residential units to commercial uses. These regulations do not apply to live/work units.

No information is available on the number of units illegally converted from residential use.

TABLE I-23
Housing Units Converted to Non-Residential Use

Housing Units Converted to Non-Residential Use	
1970 to 1980*	1,094
1981 to 1990**	165
1991 to 2000**	42
* A Study of Conversion of Apartments to Non-Residential Uses in Commercial and Industrial Areas, DCP, 1981	
** Housing Inventory, 1981 - 2000	

8. Residential Hotel Stock

Residential hotel units (also “SRO” or Single Room Occupancy) refer to rooms for single occupancy that are generally rented to lower income persons. There are 518 residential hotels in San Francisco containing 19,645 rooms (Table 25). Sixty-one of these hotels are operated by nonprofit organizations, representing 17% of all residential rooms in the City (3,314 rooms). Roughly 19% of all units in for profit residential hotels are tourist rooms.

The conversion of residential hotel rooms has significantly decreased from the conversion rate of the 1970s. This is due, in part, to the adoption of the Residential Hotel Ordinance in 1980, and subsequent amendments to that ordinance strengthening its enforcement in 1990. Just over 900 SRO units were lost in the last eleven years, largely due to several significant fires, as compared to the 410 units lost due to conversion, demolition, or damage from 1981-1989 (Table 26). Prior to 1981, residential hotel rooms in San Francisco were disappearing at a significant rate, as the SRO stock decreased by 4,883 units from 1975-1980. The loss of SRO units may in fact have been greater than the figures reported, as it is difficult to track illegal conversions and units lost because of small scale damage.

TABLE I-24

Status of Residential Hotels in San Francisco

	Residential Hotels			Non-Profit Residential Hotels			Total		
	No. of Bldgs	Residential Rooms	Tourist Rooms	No. of Bldgs	Residential Rooms	Tourist Rooms	No. of Bldgs	Residential Rooms	Tourist Rooms
1990	495	18,521	4,449	36	1,831	-	531	20,352	4,449
1995	496	18,415	4,457	36	1,481	-	532	19,896	4,457
2000	457	16,331	3,781	61	3,314	-	518	19,645	3,781

TABLE I-25
Loss of Residential Hotel Rooms

	1975 - 1980	1980 - 1981	1981 - 1989	1990 - 2000
Demolitions/Fire	985	-	99	909
Conversions	2,710	1,188	109	-
Earthquake Damage	-	-	202	-
TOTAL	3,695	1,188	410	909

9. New Construction of Low and Moderate Income Housing

From 1990-2000, 3,492 new affordable housing units were constructed in San Francisco, 62% of which qualified as affordable at very low-income levels and 30% that was considered affordable for low income households (Table I-26). An affordable rental unit is defined as housing for which rent equals 30% of the income of a household earning 80% or less of San Francisco's median income.

Since 1990, 28% of all new housing in the City have been affordable units. Over the last five years, a total of 1,339 new affordable units were produced, representing roughly 24% of all new housing units produced during that time. These totals represent construction of new units, but do not include affordable units produced as a result of acquisition and rehabilitation of existing buildings by nonprofit housing organizations. Such housing rehabilitation projects are included in the altered units category of changes to the housing stock.

Fifty-nine percent of all affordable units produced from 1996-2000 targeted very low and extremely low income households, those earning less than 50% of area median income. Family units comprised the largest portion of affordable housing produced in the last five years, totaling 61% of these types of units.

TABLE I-26***New Construction of Low and Moderate Income Units, 1990-2000***

New Construction of Low and Moderate Income Units (1990 - 2000)											
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Very Low	278	203	16	108	686	82	83	287	213	136	67
Low	180	154	180	-	86	80	198	46	21	41	54
Moderate	-	32	54	-	4	10	63	36	-	63	31
Total Newly Constructed Affordable Units	458	389	250	108	776	172	344	369	234	240	152
As % of Total New Construction	22.2%	20.7%	32.6%	28.5%	62.9%	32.3%	37.8%	40.7%	25.7%	19.6%	9.3%

10. Federally Assisted Units

Table I-27 describes units in San Francisco that receive support under the Federal Section 8 rent subsidy program or are managed by the San Francisco Housing Authority. In the Section 8 program, residents pay 30% of their monthly income in rent, and the government subsidizes the difference so that the property owner receives a HUD-determined fair market rent each month. Section 8 subsidies are associated either with a particular housing unit (project-based) or with a qualifying household (voucher/certificate program).

Section 8 housing units and those managed by the Housing Authority total almost 21,000 units, representing over 6% of the city's total housing stock. Senior and disabled renters that meet the income eligibility requirements are given priority on roughly a third of all Housing Authority units, while the remaining units are predominantly occupied by family households. Almost half of all residents in Housing Authority units are African-American, and approximately one-fifth is Asian-American.

The San Francisco Housing Authority total in Table I-27 does not include 661 formerly managed units that have been recently demolished as part of the federal HOPE VI rehabilitation program.

The HOPE VI funds will support the rehabilitation of units at five former Public Housing Authority projects, and will result in over 1,200 upgraded units of affordable housing, 234 of which are already completed.

TABLE I-27
Citywide Inventory of Public Assisted Housing

	2000		
	Total No. of Units	Elderly Units	Family Units
Project Based Section 8			
For profit	4,085	n/a	n/a
Non-profit	3,957	n/a	n/a
Tenant Based Section 8	6641*	n/a	n/a
SF Housing Authority	6,096	2,025	4,071
TOTALS	20,779	2,025	4,071
*Total includes 909 Project-based units administered by SFHA			
Source: San Francisco Housing Authority and Redevelopment Agency			

B. AFFORDABILITY

1. Owner-Occupied Housing

San Francisco's housing prices are among the highest in the nation. In 2000, the average price for a three bedroom home in San Francisco exceeded \$540,000, 30% higher than the Bay Area average. It is estimated that only 11% of San Francisco's households can afford a median priced home in the City. Statewide, over 30% of households in California can afford the median home sales price. The median price for a home in the U.S. in 2000 was near \$150,000, according to the *Housing Opportunity Index*, a report published by the National Association of Home Builders. The report estimates that almost 60% of all homes sold in the country last year were at prices affordable to a family earning the national average household income. In contrast, only

6% of home sales in San Francisco were affordable to households earning the area median income.

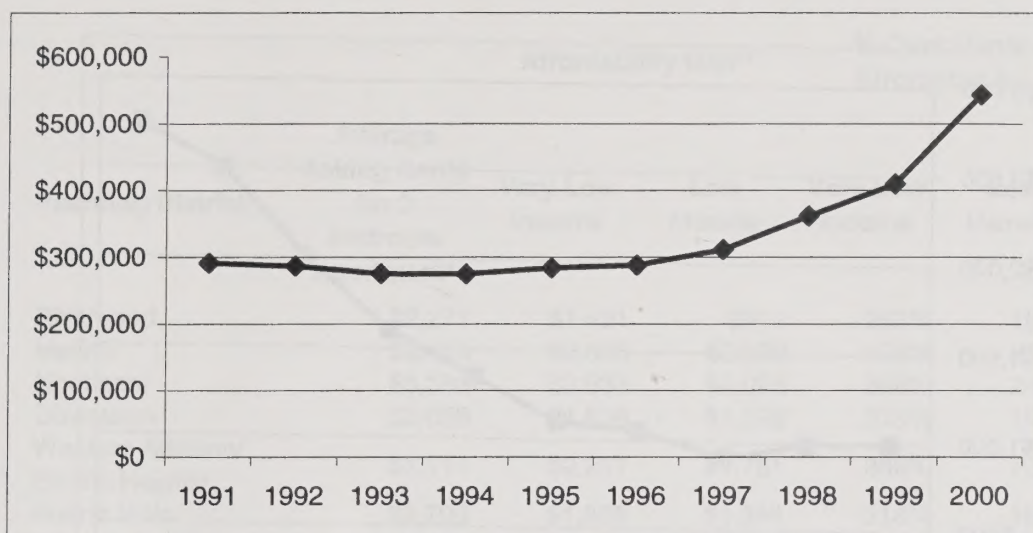
TABLE I-28

Housing Affordability of Average Single Family Homes

	Median Price	Percent of Households Qualifying
San Francisco	\$540,000	11%
SF Bay Area Region	\$470,000	18%
Northern California	\$200,000	35%
California	\$250,000	32%
Nationwide	\$151,000	56%
Source: California Association of REALTORS		

Graph I-5 depicts the rapid increase in housing prices in San Francisco over the past ten years. The average price of a three-bedroom house in San Francisco has increased by 86% since 1991, while the average price of a house in the Bay Area region spiked 56% in the same ten years. This dramatic increase is largely due to rising home prices in the last five years. Average home prices actually fell 2.7% in San Francisco from 1991-1995 and dropped 3.5% across the Bay Area over those five years. The high cost of home ownership is generally prohibitive for San Francisco's low and moderate-income households, and homeownership for these households requires substantial subsidies.

GRAPH I-5
Housing Price Trends



Source:

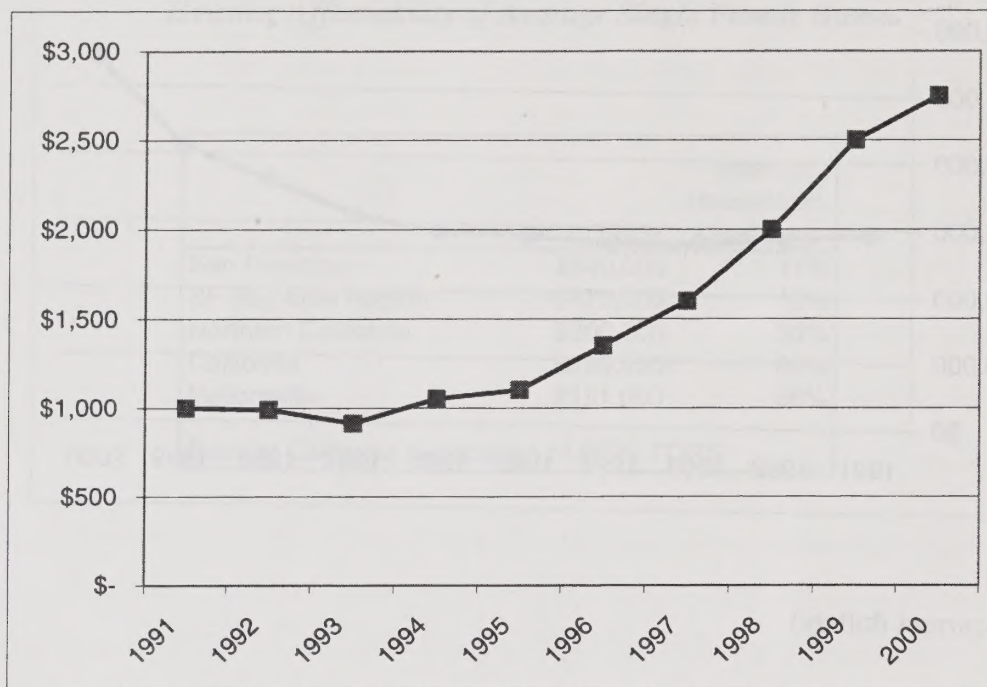
*(Figures in current dollars)

2. Rental Housing

According to the 1999 U.S. Census Bureau American Community Survey 39% of San Francisco residents own their homes, while 61% are renters. The rate of homeownership has increased slightly since the 1990 census, though it is still much lower than the national average of 69%.

Rents in San Francisco increased dramatically over the past decade, as job growth outpaced housing development and housing demand remained high in the City. Average rents in San Francisco increased a staggering 175% from 1991-2000, and have risen by almost 21% per year since 1996. The average monthly rent for a two-bedroom apartment in 2000 was \$2,750. To afford this level of rent, a household would need to earn approximately \$110,000 a year. It is estimated that only 17% of San Francisco households earned over \$110,000 in 1999.

GRAPH I-6
Rental Housing Price Trends



Source: Housing Inventory

Rental affordability is a citywide problem as shown in Table I-29. Based on the units surveyed, neighborhoods in the south, central, and eastern portions of the city are the most affordable. Even in these more affordable neighborhoods, the affordability gap for low and very low-income households is still significant. The least expensive average asking rent for a two bedroom by district (\$2,105) is still over 150% greater than what a low income household can afford.

TABLE I-29

Rental Affordability for Lower Income Households by Planning District

Planning District	Average Asking Rents for 2 Bedroom Apartment*	Affordability Gap**		% Over Rents Affordable by	
		Very Low Income	Low Income	Very Low Income	Low Income
Richmond	\$2,271	\$1,421	\$911	267%	167%
Marina	\$3,415	\$2,565	\$2,055	402%	251%
Northeast	\$3,383	\$2,533	\$2,023	398%	249%
Downtown	\$2,658	\$1,808	\$1,298	313%	195%
Western Addition/ Pacific Heights	\$3,111	\$2,261	\$1,751	366%	229%
Buena Vista	\$2,706	\$1,856	\$1,346	318%	199%
Central	\$2,751	\$1,901	\$1,391	324%	202%
Mission	\$2,869	\$2,019	\$1,509	338%	211%
South of Market	\$3,182	\$2,332	\$1,822	374%	234%
South Bayshore	\$2,233	\$1,383	\$873	263%	164%
Bernal Heights	\$2,604	\$1,754	\$1,244	306%	191%
South Central	\$2,105	\$1,255	\$745	248%	155%
Ingleside	\$2,315	\$1,465	\$955	272%	170%
Inner Sunset	\$2,475	\$1,625	\$1,115	291%	182%
Outer Sunset	\$2,387	\$1,537	\$1,027	281%	176%
Citywide Average	\$2,700	\$1,850	\$1,340	317%	198%

*Market rent source: METRORENT

** Affordability Gap is the rent over what is affordable for a household of two, per 2001 HUD Affordability Limits

3. Loss of Publicly Assisted Units

Through contracts managed by the San Francisco Redevelopment Agency, the Federal project-based Section 8 program subsidizes rent on over 8,000 units of affordable housing in the city. Almost half of these units are in projects owned or managed by nonprofit organizations. Section

TABLE I-30

Expiration and Opt-Outs of Project Based Section 8 Contracts: Buildings at Risk, 2000 -2005

Project	Owner	[1]	First Expire [2]	Units [3]	Flex [4]	LIHPRHA [5]	Rent Control
<u>Bayview-Hunters Point</u>							
ALL HALLOWS GARDEN APTS	LD		9/30/96	155	Yes	No	Yes
BAYVIEW APARTMENTS	LD		9/30/96	146	Yes	No	Yes
JACKIE ROBINSON GARDENS	LD		8/31/96	130	Yes	No	Yes
LA SALLE APARTMENTS	PM		10/16/97	145	No	No	Yes
RIDGEVIEW TERRACE	LD		9/10/96	101	No	No	Yes
SHOREVIEW APARTMENTS	PM		1/8/98	156	No	No	Yes
<u>Diamond Heights</u>							
CASA DE VIDA	PM		12/14/01	21	No	No	No
<u>Hayes Valley</u>							
FAIR OAKS APARTMENTS	LD		7/20/21	20	No	Yes	Yes
MERCY TERRACE	PM		11/29/03	158	No	No	Yes
<u>Ingleside</u>							
PAGE/HOLLOWAY APARTMEN	PM or LD		12/15/20	15	No	No	No
<u>Mission</u>							
MARIPOSA GARDENS APTS.	LD		9/19/03	63	No	No	No
MISSION BART APARTMENTS	PM		10/20/13	13	No	No	No
MISSION PLAZA APARTMENT:	PM		7/14/00	132	No	No	No
<u>North Beach</u>							
WHARF PLAZA I	PM		4/5/02	116	No	No	No
WHARF PLAZA II	PM		6/15/02	114	No	No	No
<u>Richmond</u>							
OCEAN BEACH APARTMENTS	PM		4/25/04	85	No	No	No
<u>Tenderloin</u>							
ASPEN TENDERLOIN APT	LD		12/1/03	82	No	Yes	Yes
CRESENT MANOR	LD		10/31/96	92	Yes	No	Yes
LASSEN APARTMENTS	PM		6/21/03	81	No	No	Yes
PADRE APTS-NSA	LD		7/30/21	41	No	Yes	Yes
SERENITY TOWERS	PM		4/3/03	72	No	No	No
<u>Western Addition</u>							
EMERIC-GOODMAN BUILDING	LD		12/19/04	30	No	No	No
NAMIKI APTS	PM		8/9/99	33	No	No	No
UNIVISTA APARTMENTS	LD		8/31/97	24	Yes	No	Yes
Total				2025			

[1] LD = Limited Dividend, PM = Profit Motivated

[2] First expiration of Section 8 Contract, typically 20 years after origination. Contract is renewed annually each year thereafter.

[3] Units receiving project based Section 8 subsidy.

[4] Flexible Subsidy Use Agreement: HUD rehabilitation loan program that provided funds to owners in exchange for a no-prepayment provision, and increased Section 8 contract rent levels to cover new debt

[5] Low Income Housing Preservation and Resident Homeownership Act: Provided federal funds to purchase at-risk properties and extend affordability requirements for an additional 30 years

Source: San Francisco Redevelopment Agency

C. VACANCY

The overall housing vacancy rate in San Francisco fell over the past ten years. About 5% of the City's housing stock is not occupied at any given time. Almost 3,800 of all vacant housing in 2000 (or 1.1% of all housing units) are second homes for families with another primary residence, time shares, or corporately owned and utilized for employee housing.

TABLE I-31
Vacancy Rate

	1970	1980	1990	2000
Total Housing Units	310,674	316,608	328,471	346,527
Occupied	295,484	298,956	305,584	329,700
Vacant	4.89%	5.58%	6.97%	4.86%
For Rent Vacant	3.17%	2.68%	3.71%	2.50%
For Sale Vacant			0.56%	0.80%
Source: U.S. Census				

Note: The U.S. Census 2000 total housing unit count exceeds the S.F. Planning Department housing unit total as the Census take into account illegal secondary housing units.

III. HOUSING NEEDS

This section examines the type, amount and affordability of new housing construction needed in San Francisco, as defined by the Association of Bay Area Governments, through June 2006. It is based, in part, on the data presented in the preceding Sections.

A. OVERALL HOUSING NEED

The Association of Bay Area Governments (ABAG), as required by State law, has determined San Francisco's share of new residential construction by income categories. San Francisco's share of the regional housing need for 1999 through June 2006 was calculated as 20,374 units, or 2,717 units per year. This goal seeks to alleviate a tight housing market stemming from household growth, and to accommodate at least 50% of new workers. San Francisco would need a total annual housing production rate of 2,852 units through June 2006 to achieve a 5% vacancy rate over the City's housing need.

TABLE I-32
ABAG Housing Needs Assessment

Housing Needs Estimate (1999 to June 2006)

Housing Need Related to Household Growth	6,449
Housing Need Related to 50% Commute Reduction	13,925
	20,374
Annual New Housing Construction to Meet Housing Need	2,717
Annual New Construction to Meet Housing Need and Increase Vacancy Rate to 5%	2,852

B. HOUSING NEEDS OF SPECIAL POPULATION GROUPS

Various population groups warrant particular attention because the housing market has not adequately meet their needs. These groups include the homeless; the mentally ill; the disabled; the elderly; families with children; students; immigrants and refugees; persons with AIDS; and artists. These population groups are not mutually exclusive and their needs may overlap. For example, it is estimated that 39% of the homeless suffer from mental illness; as many as 23% of the elderly have mobility or self-care limitations; and immigrants and refugees have extended families. Between 60 to 80% of all homeless individuals may suffer from one or more physical disability, mental illness, or substance addiction. More detailed information on the housing needs of these specific populations can be found in the *2000 Consolidated Plan* (Comprehensive Affordable Housing Strategies, Mayor's Office of Housing, November 2000).

1. Homeless

Estimates of the homeless population in San Francisco range from 5,400 to 12,500 persons. The Mayor's Office on Homelessness counted 7,257 homeless persons on the streets and in homeless shelters in November 2001. The Local Homeless Coordinating Board, assisted by the Department of Human Services, estimates the number of homeless to be 9,375 homeless individuals and 3,125 in homeless families.

TABLE I-33

Estimated Homeless Population in San Francisco

Homeless Shelters	1,525
Living on the Streets	3,156
Family Shelters & Emergency Housing	828
Treatment programs & County Jail	1,698
Irregularly Housed	50
Total	7,257

Source : Mayor's Office of Homelessness

The following brief profile of the homeless is based on various surveys. While not comprehensive, it nevertheless underscores the multiplicity of their housing needs:

- Most homeless are single adults, predominantly male (about 68%), between 31 and 50 years old (65%). African-Americans represent a disproportionate number of this homeless population (42%). Lack of income or loss of a job were most cited as the primary cause of homelessness; with a significant number unable to work because of physical disability (15%) or mental illness (11%). Over half have reported abusing drugs and/or alcohol.
- Homeless families are a growing segment of the City's homeless population, although they may not be as visible as the adult males living on the streets. They are most likely to be led by a single-parent (70%), and headed by women (90%). As many as 58% of individuals in homeless families are children, and half of these children are under five years old. Homeless family members are also disproportionately African-American (43%). Almost three-quarters were experiencing homelessness for the first time and over half report having a history of domestic violence. The main source of income for primary care givers in most homeless families is the Federal Aid for Families with Dependent Children (AFDC) program. Substance abuse also plagues homeless families, with over a third of primary caregivers reporting the use of drugs or alcohol.
- Over three-quarters of homeless youth (10 to 21 years old) are under 18 and many (62%) do not have the option of returning home due to physical, emotional, or sexual abuse, or the inability of the family to provide for them due to substance abuse or poverty. Homeless youth are often without viable means of support and as minors, have little access to benefits. They are also likely to have limited job skills and are vulnerable to substance abuse, prostitution, and exposure to HIV.

Homelessness can be triggered by other factors. The significant regional economic growth of the last few years has intensified the City's already tight housing market, leading to what can be described as an affordable housing crisis. Not all residents of San Francisco benefited from the

economic boom of the last few years. In 1999 rental vacancy rates dipped to less than 2%, and asking rent prices averaged \$2,016 for a two-bedroom apartment. In such conditions, unexpected displacement or eviction can be devastating to the estimated 10% of all families in City earning less than \$17,000 a year, roughly the national threshold for poverty.

Homelessness can also be a measure of the failure to provide affordable housing. The production of 3,490 affordable housing units from 1990 through 2000, in addition to the rehabilitation of almost 4,000 single-room occupancy residential hotel units (SROs), barely met the needs of households earning less than 50% of the area's median income.

2. Mentally Ill

San Franciscans with severe psychiatric disabilities often have extremely low incomes and are consequently forced to live in substandard housing without the supportive services and assistance that would allow them to live independently. De-institutionalization of the state's mental institutions in the late 1970s left the charge and housing of psychiatrically disabled residents to private board and care facilities. In 1977 there were 1,278 board and care beds. By 1995 this number shrank to 465.

In 1999, licensed board and care facilities in San Francisco managed 525 beds for San Francisco's mentally ill. However, the growing costs of patient care may again reduce the modest gain in out-patient service. At current supplemental security subsidy levels, operators are finding the provision of board and care for the mentally ill financially unattractive.

A survey conducted by the San Francisco Mental Health Association indicated an overwhelming desire on the part of mentally disabled persons to live alone or with one to two friends in apartments with support services as needed. The absence of affordable housing linked to supportive services, however, sends many of the City's mentally ill through a never-ending loop of short-term acute care and homelessness. The Department of Public Health's Division of Mental Health estimates a need for 2,000 supportive housing units for San Francisco's mentally ill.

3. Physically Disabled

Accessible housing is housing with special design features that accommodate people with physical disabilities; for example, the height of cabinets, the positioning of electrical outlets, the layout of fixtures and appliances, and wide interior spaces for wheelchair circulation. However, with over three-quarters of San Francisco's housing stock built before 1950, much of the City's housing has narrow corridors and doorways, steps leading to building entrances, and multiple stories without elevators – all presenting barriers to people with disabilities.

The Northern California Council for the Community estimates that 63,032 San Franciscans are physically disabled (*Building a Healthier San Francisco: A Citywide Collaborative Community Assessment, 1999*). The 1990 Census also counted 22,962 non-institutionalized adults as having mobility problems and who would need accessible housing units. San Francisco has a high percentage of elderly and other households that require housing that is accessible to the disabled. While more refined estimates of accessible housing needs are unavailable, assuming that 20% of physically disabled persons between the ages of 16 and 64 earn less than 50% of the area's median income, a need for 3,177 accessible affordable housing units would exist.

4. Elderly

The 2000 Census counted 136,369 or 18% of San Francisco's population as 60 years or older. This elderly population is expected to grow to 173,200 by 2010. The recent Census also estimated that 24% of all San Francisco households have one or more persons over 65 years old. About 32,300 elderly householders, representing about 10% of all households in 2000, lived alone.

Senior citizens have different housing needs especially as they develop health problems or experience decreased mobility. The U.S. Census Bureau estimates that 23% of persons 65 and over have mobility or self-care limitations. The Long-Term Care Pilot Project Task Force estimates that the City must develop a minimum of 1,500 units of affordable supportive housing. Older and disabled adults who require long-term care have a need for a broad range of on-site and off-site services including central dining, transportation services, limited or complete

medical care, recreational and other services. For seniors living independently, there is a need for small, safe, easily maintained dwelling units.

5. Persons with AIDS and Terminally Ill Patients

Residential needs of persons with AIDS range from independent living to home care and hospice services. The San Francisco Five-Year HIV/AIDS Housing Plan Update estimated that there were over 7,960 people with AIDS living in the City. Thirty-eight percent of them are low income. Current available resources do not meet the need for supportive housing for people living with AIDS. As many as 3,000 are on the HIV/AIDS Housing Waitlist.

6. Low Income Ethnic Communities

Low-income households in communities of color have often been at particular disadvantage in the housing market. The need here is for rehabilitation and affordability assistance for those living in the existing housing stock, as well as new construction.

7. Immigrants, Refugees and Undocumented Workers

San Francisco has long been a “Port of Entry” to the United States for immigrants and refugees. Legal immigrants come from various countries for which the U.S. government has established numerical quotas and preference categories related to relatives already in the United States. Refugees come from certain areas that the U.S. government designates as warranting opportunity for political asylum. These individuals are eligible for various forms of Federal aid. San Francisco also shelters a number of undocumented persons who are in the United States without legal status. Many of these new arrivals need low cost housing and support services many of which are centered in San Francisco.

Shelter providers for the homeless also assist homeless persons who are undocumented. These persons have an urgent need for shelter because they are ineligible for public assistance programs such as General Assistance. Most immigrants and refugees, regardless of immigration status, also need housing services that are provided in a multicultural and multilingual context.

8. Families with Children

Families with children need housing with sufficient bedrooms to prevent overcrowding, a challenge in San Francisco because the City's housing stock tends to have fewer numbers of bedrooms. The 2000 Census estimated that 145,200 or about 44% of all San Francisco households are family households. Of these family households, 54,700 or 38%, include children. However, 63,900 households, or almost one in five San Francisco households, include a person under 18 years of age. Over 11,300 family households, or 3%, are headed by a single mother.

The Census also showed that average family household size in San Francisco, 3.22 persons per household, is significantly larger than the average for all households (2.30 persons per household). Household growth projections from ABAG, adjusted to Census 2000 data, estimate that household size will stabilize at 2.28 by 2010. In 1990, the average number of people per household was estimated to be 2.29.

Based on the wait list managed by the San Francisco Housing Authority, there is an estimated need of over 4,000 affordable housing units for low-income families. This need breaks down to about 3,450 three-bedroom units, 450 four-bedroom units, and 150 five-bedroom units.

9. Low-Income Single Persons

A sizeable number of San Francisco households are comprised of single persons. In 1999, 37% of the households were single persons, down from 39% in 1990 and 41% in 1980. As cited elsewhere in this report, high housing costs increasingly force individuals to share housing.

Many low-income, single person households are housed in single room occupancy residential hotels (SROs). While the rate of loss of residential hotel units has diminished in the last decade, the stock of low-income residential hotel units is still being slowly depleted.

10. Students

Institutions of higher learning do not provide sufficient housing for their student populations. The University of California Medical Center has a student enrollment of 3,780 but only accommodates 178 single students and 130 students in family housing. San Francisco's State

University had a student enrollment of 26,800 in 2000 but only provides 1,500 student housing units.

And, while enrollment at San Francisco City College's Phelan Campus totaled 25,000 students in 2000, it provided no student housing despite an estimated need for approximately 1,000 units to adequately house this student population. Clearly student housing needs differ by institutional demographics, such as age, but universities must seek to provide affordable housing opportunities for more of their students.

11. Artists/Artisans

Artists have special housing needs for affordable accommodations that provide large wall space, high ceilings, lofts, lighting, and the ability to work at all hours of the day or night. There is high demand for such flexible space in the city, as many of San Francisco's artists live in apartment units not suitable for such activities. It was estimated that about 60% of San Francisco artists are lower income households, earning less than \$25,500 a year in 1990.

"Loft" units, or live/work spaces, were once attractive options for artists seeking such flexible accommodations. Live/work units frequently stemmed from converted industrial building space, with minimum retrofitting intended to maintain the unit's affordability. Newly constructed live/work units became very popular with the building community and prospective homebuyers in the latter part of the 1990s, and over 2,100 units were completed since 1990. However, these units have sold and rented at levels far out of reach of most artists, and it is estimated that little of the demand for flexible artist space has been met by these new units.

C. SUMMARY OF NEEDS OF SPECIAL POPULATION GROUPS

The needs of specific population groups are summarized below (Table I-34). Needs for these groups can often overlap, including certain housing needs.

TABLE I-34***Housing Needs of Special Population Groups***

Housing Needs of Special Population Groups		
Population Group	Type of Housing Units Needed	Units
Homeless	Shelters, transitional housing, SROs, Small and Large Family	3,500
Mentally Ill	Board and Care, Institutional Facilities	2,000
Physically Disabled	Accessible Units of all Types	3,177
Elderly	Senior Housing Projects, Studios, 1 Bedroom	1,500
Low Income Minorities	Elderly, Small and Large Family	*
Families with Children	2 or more Bedroom Family Housing	4,000
Low Income Singles	SROs, Studios, 1 Bedroom Units	*
Students	Dorms or Studios	1,000
New Immigrants	Small and Large Families	*
Terminally Ill Patients	Board and Care, Institutional Facilities	3,000
Artists	Affordable Live/Work Space	1,500

*no numbers available for those marked

D. HOUSING PRESERVATION NEEDS

San Francisco has an older housing stock, with 75% of all units over 50 years old. This is the largest concentration of older housing stock in the state.

1. Private Housing Rehabilitation

Unassisted Housing Rehabilitation

Housing restoration, remodeling and maintenance is an on-going activity throughout the City. Renovation projects completed between 1990 and 1995 totaled 11,464, affecting 90,055 units. Between 1996 and 2000, these numbers dropped to 5,533 projects representing 34,577 units. However, issuance or approvals of alteration permits are again increasing. In 2000, the Department of Building Inspection approved or issued permits for 1,924 alteration projects affecting 20,220 units.

According to San Francisco Department of Building Inspection staff, serious rehabilitation needs are likely to be concentrated in the one and two unit structures, rather than in larger multi-family structures. This is shown by the fact that over 86% of projects in the last decade were for residential improvements in one and two unit buildings. Significant rehabilitation needs are also evident in many lower income multi-unit buildings and residential hotels.

2. Public Housing Rehabilitation

There are 6,252 public housing units in 47 developments located throughout the City. Even with the current occupancy rate of 98%, vacated units need to be rehabilitated before they are rented again. Immediate capital improvement needs for public housing units amount to \$19,672 per unit. Recent and current San Francisco Housing Authority programs will have revitalized 1,023 low-income and 205 moderate income units by 2003.

3. Seismic Retrofitting

There are approximately 11,850 units in 399 unreinforced masonry residential hotels and apartment buildings (UMB), most of which are occupied by low income households. It is estimated that up to \$20,000 per unit in public subsidies are needed to rehabilitate and seismically upgrade these buildings and still maintain the low income rent structure of these units. These costs vary depending on the type of building, the level of retrofit, and the availability of construction expertise. In addition to the unreinforced masonry buildings, much of San Francisco's older housing stock is in need of some type of seismic upgrading, such as foundation bolting and structural reinforcement.

E. REPLACEMENT OF LOST UNITS

Demolitions, abatement enforcement, mergers, and conversions all diminish the City's housing stock, and lost units need to be replaced. Table I-35 below anticipates losses based on previous trends.

TABLE I-35
Replacement Housing Needs

Replacement Housing Needs	
Demolition and Replacement	1,500
Loss of Secondary Units	400
Unit Mergers	200
Conversion to Commercial Use	30
TOTAL	2,130

1. Loss of Units Through Building Demolition

Since 1990, building demolition has accounted for the loss of about 1,540 units. The unusually high numbers of units demolished in 1990 can be attributed to earthquake damage, while the demolition of some large public housing projects account for the substantial numbers in 1996 and 1997. New construction has since replaced much of the torn-down public housing projects.

2. Loss of Units Through Mergers

A slight decline in dwelling unit mergers (the combining of two units into one larger unit) followed the imposition of controls on such action in 1995. Between 1990 and 1995, 237 units, or an average of 40 a year, were lost in this fashion. However, in the last five years (1996 through 2000), only 192 units were merged to make larger dwelling units, a loss of about 38 units a year.

3. Loss of Illegal Secondary Units Through Code Enforcement

The total number of illegal, predominantly secondary, units has been estimated to be about 25,000. While many illegal secondary units may not meet existing code requirements, they still constitute a major supply of affordable housing. Some types of illegality, such as excess number of units permitted under zoning regulations, basement units with substandard ceiling heights, or units with severe egress problems cannot be remedied except by removal.

Between 1990 and 2000, 540 illegal secondary units were removed. The volume of complaints has been increasing, and it is estimated that in the future, 50 to 100 units per year will be removed because of code enforcement action. Based on a projected average loss of 75 units per year, it is estimated that about 400 units will be needed by June 2006 to replace these units.

4. Loss of Units from Conversions to Commercial Use

Fifty housing units were legally converted to commercial uses between 1990 and 2000. While the conversion of residential use to commercial uses has declined significantly from the high rates experienced in the late 1970s, illegal conversions are still a concern in a number of areas. Unfortunately, no reliable data can detail the extent of illegal conversions, but based on trends in the previous decade, at least 30 new housing units will be needed to replace housing lost to conversion to commercial use.

F. HOUSING AFFORDABILITY NEEDS

1. Affordability of New Housing Construction

State law requires that the City address the housing needs for all income levels. ABAG estimates housing need by income group to provide a basis for determining what income levels need to be most served by new construction. ABAG figures are based on income distribution of all existing households in the City and in the Bay Area. ABAG's estimates split the difference between the City and the regional figure in an effort to move the City closer to the regional income distribution.

TABLE I- 36
New Construction Housing Need by Income Category
(1999- June 2006)

	RHND* Allocation	Percentage
Very Low	5,244	25.7%
Low	2,126	10.4%
Moderate	5,639	27.7%
Above Moderate	7,363	36.1%
TOTAL	20,372	100.0%
*Regional Housing Needs Determination		

The high cost of housing leads to numerous troublesome effects including overwhelming rent burden (as more of a household's income is needed to go toward rent); overcrowding as more people squeeze into smaller affordable units to share costs; an increase in workers per household needed to pay mortgage or meet monthly rent; increased commuter traffic from San Francisco job holders who cannot afford to live in the City; and an increase in the homeless population.

2. Households Overpaying

According to the 1998 American Housing Survey, approximately 25% of all San Francisco households spent at least half their income on housing. Homeowners were likewise bearing the high costs of housing, with about 17% paying over half their income on housing. This same survey estimated that one in six renting household was living below the poverty line while about 8,300 or 8% of all homeowners were in the same circumstances.

3. Overcrowded Households

High housing costs have forced overcrowding. To afford the cost of housing, many low-income families crowd into smaller units. In some cases, two or three families might occupy a two or three bedroom apartment, or a flat. The 1990 census reported 18,995 overcrowded units with

more than 1.5 persons per room. According to the 1998 American Housing Survey, about one in five housing units had 1.5 or more people per bedroom,

Renting households also tend to be more overcrowded than households that own their homes. Thirty percent of all renting households are characterized as overcrowded, compared to 11% of home-owning households. The 2000 Census is expected to show even greater overcrowding in the City, when tabulation of all housing data is completed.

4. Expiration of Subsidized Section 8 Rental Housing and Mortgage Subsidies

As shown on Table I-30, over 2,000 low-income units will lose their Federal Rental Section 8 subsidies by 2005. A total of 3,300 units are subject to Federal mortgage expiration.

IV. INVENTORY OF LAND SUITABLE FOR RESIDENTIAL DEVELOPMENT

This section describes the City's inventory of land suitable for residential development and assesses the housing development potential of that land.

A. POTENTIAL HOUSING SITES

Although San Francisco is already highly developed, there is still a substantial amount of undeveloped or underdeveloped land that is suitable for in-fill residential development. An inventory of sites suitable for residential development identified some 631 acres of land on which about 23,190 units of new housing could be built.

The housing opportunity estimate in Table I-37 represents the residential development capacity in the City's undeveloped and underdeveloped lands, as a function of existing zoning and the scale of surrounding development. Many of these sites border transit-preferential streets and neighborhood commercial districts, where about 15,660 new units could be constructed. This

general estimate of the City's total housing potential was determined without specifying which sites may or may not be developed within the next five years.

Planned area developments in Mission Bay, Hunters Point Naval Shipyard and the Transbay Terminal include 12,500 new housing units. How rapidly these sites are developed depends upon the availability of private and public resources, and on market demand.

TABLE I-37
Estimates of Housing Potential

HOUSING POTENTIAL ESTIMATES	
	No. of Potential New Units
Industrial Areas (not including Mission Bay and South Bayshore)	2,754
Downtown	5,160
Marina Fillmore	2,984
Northeast	1,774
South Bayshore	1,779
Transbay (not including Terminal)	716
Transit Corridors	5,744
Rest of City	2,279
TOTAL	23,190
Mission Bay	6,000
Hunters Point	1,800
Transbay Terminal	4,700
TOTAL CITYWIDE HOUSING POTENTIAL	35,690

1. Housing Potential Sites: Terms and Methodology

The housing potential estimates in Tables I-37 through I-39 are based on an inventory of existing uses citywide. (See Map I-4.) The terms used in these tables are explained below:

Housing Potential Sites: These are sites that are suitable for residential development based on criteria and site analyses of each district in the City. They consist of “undeveloped” parcels and “soft sites,” which are determined appropriate for residential development based on preliminary surveys and database analyses. These studies looked at such factors as proximity to residential districts, transportation, parks, potential hazardous waste problems, and views.

Undeveloped Land: Includes unimproved or undeveloped vacant lots used for open storage, parking, or other open air uses. These sites theoretically could be readily developed for residential use.

Soft Sites: A second category of housing potential sites which include sites with older, obsolete buildings, unsafe buildings, and building and uses that significantly underutilize the site. These sites have structures that could be reused or rebuilt for residential use.

Build-Out Capacity: This is the theoretical build-out capacity if undeveloped and underdeveloped sites are built at currently permitted residential densities.

Land use data for this housing potential analysis was compiled from Assessor’s Records, field surveys conducted for the Better Neighborhoods 2002 program areas, the industrial protection zone and mixed use housing zone land use study, and select transit-oriented neighborhood district information. Land use information collected included building square footage, type of use, open space, number of stories, height, zoning, lot area, floor area ratio, census tract, and other pertinent data.

Table I-38 details potential housing units in opportunity sites by undeveloped sites and soft sites. Table I-39 categorizes the potential housing units by zoning district and lists the build out capacities of potential housing sites according to permitted residential densities.

Table I-38

Housing Potential: Undeveloped Sites and Softsites

	No. of Potential New Units	Acres
Industrial Areas (not including Mission Bay and South Bayshore)		
Undeveloped Sites	1,630	31.30
Soft Sites	1,124	17.97
Downtown		
Undeveloped Sites	3,992	24.82
Soft Sites	1,168	7.90
Marina Fillmore		
Undeveloped Sites	2,350	48.76
Soft Sites	634	11.07
Northeast		
Undeveloped Sites	1,186	14.26
Soft Sites	588	4.95
South Bayshore		
Undeveloped Sites	1,483	59.32
Soft Sites	296	7.30
Transbay (not including Terminal)		
Undeveloped Sites	558	11.18
Soft Sites	158	1.98
Transit Corridors		
Undeveloped Sites	4,670	154.21
Soft Sites	1,074	22.88
Rest of City		
Undeveloped Sites	2,174	107.83
Soft Sites	105	2.39
Undeveloped Sites Subtotal	18,043	451.68
Soft Sites Subtotal	5,147	76.44
TOTAL	23,190	528.12

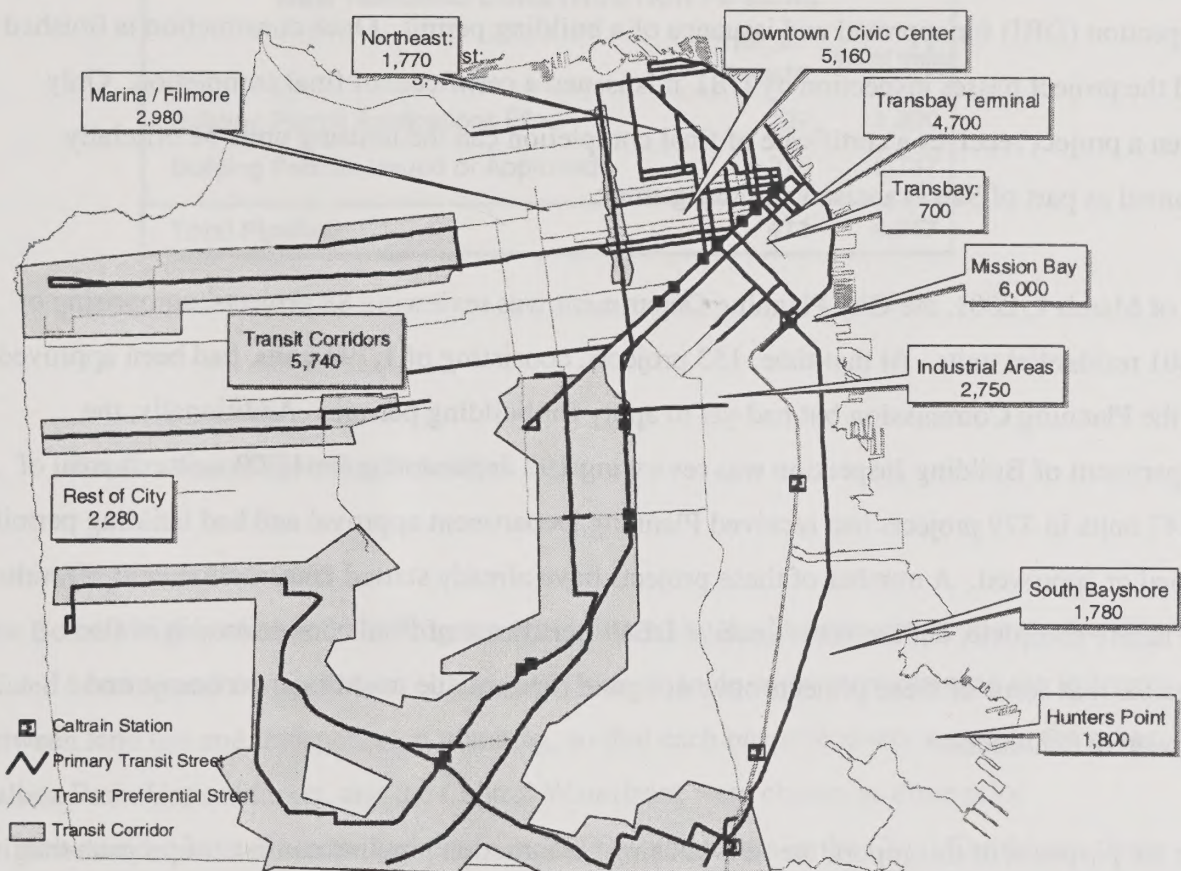
TABLE I-39

Housing Potential Estimates by Zoning and Density

Zoning Category	Area (Acres)	Zoned Density per Acre	Estimated Potential	Maximum Zoned Capacity
Residential Zoning Districts				
RH-1	137.26	14	1,289	2,153
RH-2	71.85	39	1,414	3,161
RH-3	39.77	43	1,444	1,832
RM-1	53.08	54	2,117	3,361
RM-2	9.36	72	521	717
RM-3	3.57	108	221	753
RC-3	0.44	108	34	47
RM-4	4.28	217	682	963
RC-4	11.82	217	1,500	2,564
Total	331.42		9,222	15,552
Neighborhood Commercial Zoning Districts				
NC-1	7.32	54	347	402
NC-2	29.63	54	1,521	3,309
NC-3	29.41	72	1,379	2,272
NCD	12.64	54	889	740
NC(S)	8.50	108	592	933
Total	87.50		4,728	7,656
Mixed Use Districts				
Chinatown	1.18	217	167	256
RSD	4.23	217	415	928
SLI	2.41	217	89	566
SLR	3.88	217	151	884
SSO	4.01	217	206	869
Total	15.71		1,028	3,503
Downtown Commercial Districts				
C-3-G	16.74	348	3,072	6,874
C-3-O	8.81	348	257	3,745
C-3-R	0.95	348	19	331
C-3-S	6.36	348	2,412	2,309
C-M	9.54	217	188	2,205
Total	42.40		5,948	15,463
Industrial Districts				
M-1	25.26	54	1,179	1,364
M-2	25.82	54	1,085	1,911
Total	51.08		2,264	3,275
TOTALS	528.12		23,190	45,450

MAP I-4

Potential Housing Units in San Francisco



San Francisco City Planning Department / July 2000

2. Projects in the Pipeline

Housing projects move through a multi-tiered approval process. A development proposal is first reviewed by the Planning Department for compliance with the Planning Code and consistency with the General Plan. The project then goes through review by the Department of Building Inspection (DBI) for approval and issuance of a building permit. Once construction is finished and the project passes inspection by DBI, it is issued a certificate of final completion. Only when a project receives a certificate of final completion can the housing units be officially counted as part of San Francisco's housing stock.

As of March 1, 2001, the City Planning Department was reviewing 88 projects, comprising of 4,801 residential units. At that time, 153 projects, consisting of 1,792 units, had been approved by the Planning Commission but had yet to apply for building permits. Additionally, the Department of Building Inspection was reviewing 192 applications for 1,300 units. A total of 2,747 units in 279 projects had received Planning Department approval and had building permits issued or approved. A number of these projects have already started construction, and several are nearly complete, but are yet to receive DBI's certificate of final completion. It is also possible that some of these projects have not gone forward due to shifts in economic and legislative conditions.

For the purposes of this report, the new housing construction pipeline consists of projects that have been approved by the Planning Department and have been approved or filed permit applications with DBI. As of March 1, 2001, the new housing construction pipeline totaled 4,047 units. It should be noted that project applications and permitting activities in the near future could increase the number of new housing production in the next five years.

TABLE I-40

New Housing Construction Pipeline

NEW HOUSING CONSTRUCTION PIPELINE		
	No. of Projects	No. of Units
Building Permit Applications Filed	192	1,300
Building Permits Issued or Approved	279	2,747
Total Pipeline	471	4,047

3. Realization of Housing Potential

Better Neighborhoods 2002

The Better Neighborhoods 2002 Program was initiated by the Department to address the City's related housing and transportation challenges. It seeks to do so by strengthening the linkages between land use and transportation planning, so that each one effectively supports the other. Balboa Park, Upper Market, and the Central Waterfront were chosen as three pilot neighborhoods, and selected to serve as a model for other areas in the City. Combined, these three areas could represent between 3,500 and 8,200 units in potential housing sites. More specific numbers will be available at the completion of the planning process, some time in 2002.

Housing in Neighborhood Commercial Districts

Both Planning Code regulations and General Plan policies encourage housing over commercial spaces in districts throughout the City. More recently, regional and national interest in transit-oriented development has grown considerably. The close proximity of neighborhood commercial districts to transit preferential streets make in-fill sites in these districts particularly suitable for development. There is also a proven strong market for mixed-use development. Mixed-use projects, with commercial and residential components, accounted for a significant

amount of the new building construction between 1990 and 2000. Opportunity sites in neighborhood commercial districts cover over 90 acres of land in the City. This represents the potential for roughly 4,800 new housing units over ground floor commercial spaces.

Housing in Residential Areas

Housing development on remaining vacant, residentially zone sites will continue as market pressure intensifies to build on available residential sites throughout the City. These sites generally have low density RH-1 or RH-2 zoning designations, which permit only one or two units per lot in most cases. It is estimated that there is an infill housing potential of approximately 2,700 units on vacant and underutilized RH-1 / RH-2 parcels. There is also the potential for 6,500 new units on vacant or underutilized parcels in medium density residential zones.

Housing in Industrial Areas

A significant portion of new housing construction over the last 11 years (25%) occurred in the areas south of Market Street, largely in the industrially zoned parts of the City. Much of this new housing development came in the form of live/work projects. The live/work boom brought on severe conflicts as new housing and business services clashed with existing industrial uses and residents. Interim zoning controls and Planning Commission policies have created both housing encouragement areas and industrial protection zones in the industrial zones throughout the City. Vacant and underutilized parcels in the mixed use housing zones total 70 acres and have the potential for about 2,700 new housing units.

Housing on Public Land

Most San Francisco city agencies do not own large tracts of land that do not serve as part of their stated mission. There are occasional exceptions, for example when new technology results in operational changes or when departmental objectives change over time. A few city agencies, notably MUNI and the San Francisco Unified School District, have found over time that some of these parcels can be disposed of or can be utilized for a mixture of uses.

MUNI in particular has been exploring new uses for its surplus sites, and MUNI staff have identified three sites where future housing development might be possible. One site is the Kirkland Bus Yard in Fisherman's Wharf. MUNI plans to undertake a real estate analysis to explore potential uses on this site. A second location is the Presidio Trolley Division at Geary and Masonic, which for many years served as MUNI's headquarters. As MUNI's offices move to Civic Center, most of the Geary Street offices will be vacated. MUNI is investigating future uses for either the Geary Street buildings, or for the air space above the yard. Lastly, alternative use options are being explored for MUNI's property near Balboa Park in the Planning Department's Balboa Park Special Area Plan, which is part of the Better Neighborhoods 2002 program.

The San Francisco Unified School District is currently preparing a Facilities Master Plan that will identify possible surplus land that could become available for housing development. Also, both the Community College District and the Water Department have interests in the Balboa reservoir site. This location is also within the Planning Department's Better Neighborhoods study area.

In the former Central Freeway right-of-way in the Upper Market area, the City is working to develop housing on several acres of vacant land. Part of the Planning Department's Better Neighborhoods Program, these parcels have recently been transferred from State to City ownership, and will form the core of the Market and Octavia Neighborhood Plan.

V. CONSTRAINTS AND RESOURCES

A. CONSTRAINTS TO HOUSING PRODUCTION AND CONSERVATION

Housing development in California is a complex and lengthy process. San Francisco in particular is one of the more challenging environments to build housing. Factors including high land costs, stringent lending requirements, and organized “Not-In-My-Backyard” opposition pose real obstacles to developing housing in San Francisco.

One result of this difficult landscape has been the development of new housing in areas not fully appropriate for residential development, such as in areas without the sufficient services and social infrastructure to support a pleasant and vital neighborhood. In meeting the City’s housing goals, it is important to focus on areas that can absorb new development in the context of creating viable neighborhoods. Section IV, “Inventory of Land Suitable for Residential Development,” discussed locations where the potential for new housing exists. Section V, B, “Resources and Approaches to Meet Current and Future Housing Needs,” describes policies and programs that the City is using, or can consider, to encourage appropriate housing development to meet its housing needs.

1. Land Availability and Cost

Both market-rate and affordable housing developers report that acquiring sites for housing in San Francisco is a challenge. Parts of the City exhibit an established, relatively dense development pattern and are considered by many to be built-out. Though there are significant tracks of land still available for development, San Francisco’s land market on the whole, is quite tight. This finite supply of land, coupled with strong development pressure, means that landowners can yield high prices for parcels they own.

Though specific land costs vary greatly depending on an area’s location and underlying zoning, the price of land is a major component of a developer’s overall cost of producing housing. A 2002 Planning Department study, that explored options for an inclusionary housing policy,

compiled cost information from a variety of data sources. This research showed that land for housing development in San Francisco often costs between \$40,000 and \$60,000 per unit, depending on the size and type of development. Some developers reported land costs in their projects at levels up to \$100,000 per residential unit.

2. Infrastructure

San Francisco's current housing stock is approximately 340,000 units. The housing goal that has been set for San Francisco County by the California Department of Housing and Community Development and the Association of Bay Area Governments is 20,372 units by 2006. This represents an increase of approximately 6%. The capacity of the City's infrastructure including water, sewage treatment, and utility services is generally not a constraint to meeting San Francisco's housing goals. Many potential development sites are in areas that are well-served by the existing infrastructure. New district plans or large projects may require additional local infrastructure improvements.

The San Francisco Public Utilities District's *Final Urban Water Management Plan* projects water demand from residential and commercial customers. While the district does project an increase in total demand, it also expects residential water use to decline, even as population increases, because of increased conservation measures and efficiency. The plan projects sufficient water supply in normal years, though during drought years demand will exceed supply. The SFPUC has committed to a number of programs to reduce water demand, which are described in greater detail in the management plan.

In 1997, the City completed a major program to upgrade its wastewater treatment system. Because San Francisco has a combined sanitary and stormwater system, the largest volume of wastewater occurs during wet weather. The City's Clean Water Program reports that treatment capacity is available to serve expected growth. However, there are areas where local sewers, which transport waste to the treatment system, may be inadequate. New area plans or large projects may need local infrastructure improvements to connect to the City's system.¹

¹ Gene Handa, Sanitary Engineer, San Francisco Department of Public Works, Bureau of Engineering. Telephone Conversation, May 11, 2001.

San Francisco's solid waste is transferred to the Altamont Landfill, in Alameda County. In 1988, the City signed a long-term disposal agreement that provides for the disposition of up to 15 million tons of solid waste at Altamont. As of January 1, 2000, approximately 7.1 million tons of this capacity had been used, leaving a balance of 7.9 million tons. At the current rate of disposal, the city's capacity is sufficient through 2008. The Solid Waste Program is actively working to increase recycling, resulting in less disposal at the landfill. The program hopes to achieve recycling rates that would extend the capacity of the landfill until 2011.²

Despite recent supply problems, future gas and electricity supply should meet projected needs. Pacific Gas and Electric Company (PG&E) has filed a "Load Forecast" for San Francisco through 2009 with the San Francisco Public Utilities Commission. This forecast is the basis for capital and operating plans, and covers both residential and commercial demand. PG&E is planning for a 35% increase in demand between 1999 and 2009.

3. Availability of Open Space

Most of the City's existing public open space is on the western side of the city. However, a considerable amount of the recent housing construction, and much of the housing potential, is downtown, close to downtown, or on the eastern side of the City. New households in these areas will need open space and recreational opportunities. Recent planned areas have included additional open space for their new residents. For example, the Mission Bay project will include new public open spaces to serve the residents of its 6,000 new units and those of surrounding areas. The Rincon Point-South Beach Redevelopment area includes two new shoreline parks. As new areas are planned for housing, additional open space will need to be provided and should be included as part of future redevelopment plans, area plans, rezoning provisions, and subdivision projects.

² This information is on the Solid Waste Program's website: www.sfrecycles.org.

4. Access to Commercial and Other Services

Many of the areas where new housing is likely to occur offer a rich mixture of uses, that can readily serve new residents. Additionally, much of the future housing development will be in mixed use projects that will include local serving commercial activities. If these new, larger scale developments are well-planned and designed, the additional residents and businesses will enrich existing neighborhoods nearby. Major new housing developments that are isolated from requisite services do not create livable neighborhoods, and can contribute to citywide transportation problems. Plans for new neighborhoods, and specific plans for improving existing areas, must respond to the commercial and service needs of new residents.

5. Transportation

San Francisco's transportation system has been strained by the availability of free and relatively inexpensive parking in many parts of the City, which promotes driving. Coupled with job and population growth, this has increased congestion while decreasing the efficiency of public transit services. Recent planning efforts seek to address this issue and continue to closely examine the interaction of land use and transportation to assure that current and future residents are able to travel conveniently and efficiently to jobs, services, and recreational opportunities. Also, Planners at the San Francisco County Transportation Authority (SFCTA) are currently preparing the Countywide Transportation Plan that will prioritize numerous improvements to the City's transportation system.

6. Planning Policies and Processes

Project sponsors must obtain building and planning permits to assure that their developments meet minimum code standards. Projects must comply with Planning Code stipulations that regulate land use, density, lot size, height, open space, setbacks, and parking. The cost of complying with some of these requirements can prove costly to project sponsors. In particular, providing requisite parking spaces in new housing projects can have a notable impact on a developer's overall cost. The additional construction costs and site constraints associated with these parking requirements can add over \$20,000 to the cost of producing each housing unit.

Projects that deviate from Planning Code standards or raise other planning, architectural, or environmental concerns are subject to greater scrutiny by planning staff. More involved projects may require a conditional use approval, variance, discretionary review, zoning amendment, planned unit development approval, or additional environmental review. These special permits take longer to process because they require greater study and analysis, public notification, public hearings, and approval by the Planning Commission or Zoning Administrator. The approval of such permits is often subject to certain conditions or mitigation requirements.

In 1986, Proposition M was adopted by the voters of San Francisco as an Initiative Ordinance that added a section to the city's Planning Code. This section requires the review of all new residential developments for consistency with the General Plan Priority Policies,³ which seek to conserve and protect existing housing and neighborhood character. This can act as an additional constraint on new development.

These planning review processes take time to administer and can add to the cost of residential projects. However, many of the rules and procedures are necessary to ensure that San Francisco's quality of life is maintained and enhanced by new development, and that appropriate densities are encouraged in suitable locations throughout the City. San Francisco's goal is to involve the community, and thereby improve residents' understanding and acceptance of appropriate housing developments. Poorly designed projects can adversely affect neighborhood acceptance of much needed affordable housing projects, and new development in general.

By definition, all of the above regulations are constraints to housing development. However, these regulations have been developed over time to deal with the cumulative impacts of development on the City as a whole. Without these regulatory controls, public opposition to development could result in even greater constraints in the form of broadly written moratoria or sweeping growth limitations – approaches that often are not sensitive enough to the need for balanced long-range planning.

³ San Francisco Planning Code, Section 101.1.

7. Permit Application Fees

The Planning Department and the Department of Building Inspection require fees for building permits based on a project's cost of construction. Projects of a smaller scale generally require only a building permit. Projects that are broader in scope, however, may require additional permits, such as Conditional Use, Demolition, and Coastal Zone, or may require other actions such as a Variance, Zoning Reclassification, Subdivision, or Environmental Evaluation.

Payment of an application fee may be required for these additional permits. The application fee for most of these additional permits is also based on the total cost of construction of the project.

The table below provides an example of various fees.

TABLE I-41

Sample of Permit Fees Based on Construction Costs, 2000

Construction Cost \$	Building Permit BBI	City Planning Plan Check	Conditional Use, Variance, Coastal	Environmental Evaluation
\$10,000	\$220	\$360 + .45% of valuation over \$10,000 + 4.5%	\$1,130	\$1,074
\$50,000	\$786	Same	\$1,338	\$1,259
\$100,000	\$1,185	\$765 + .35% of the valuation over \$100,000 + 4.5%	\$5,808	\$1,490
\$500,000	\$3,799	\$2,165 + .27% of the valuation over \$500,000 + 4.5%	\$3,677	\$3,006
\$1,000,000	\$8,250	Same	\$6,233	\$4,439

These fees are in line with those charged by other cities. Some project fees in San Francisco may be higher than in other less densely populated Bay Area cities because of the complexity and extensive public review that is required in San Francisco. Permit fees are not a substantial proportion of development cost and are not seen as a significant constraint on housing development. Development projects by non-profit housing organizations are exempt from City

Planning permit fees pursuant to City Planning Code Section 351(e), 360(g), and 361(c). Other new construction fees include water and sewer hook-up and school fees.

8. Building Code Standards

Various building code provisions add to the cost of construction, and thereby may act as a constraint on building development. Building Code stipulations are based on considerations of health and safety. However, lower cost alternatives may exist that achieve the same level of health and safety, but do not burden housing design and production significantly. For example, the San Francisco Building Code permits fire escapes for certain required exits in existing buildings, whereas the State Uniform Building Code (UBC) does not. Additionally, parapet requirements for residential wood frame construction are waived under the California code if the roof is constructed entirely of fire-rated construction. Local amendments also permit wood frame construction on a concrete podium up to a height of four stories if fire truck access to the podium is provided.

9. Infrastructure Standards

The City imposes fees on sponsors of new development for various on and off-site infrastructure improvements when necessary. Various standards for street widths, curb requirements, and circulation improvements have been developed over time and are not believed to be excessive or to impose undue burdens on development. They apply citywide and conform to the developed pattern of the City. More specific infrastructure improvements, such as particular streetscape design treatments, may be required of major new developments in the City's project areas. Given the densities at which residential land is developed in San Francisco, these infrastructure costs, even when borne partially by the developer, represent a relatively small cost per unit.

10. Community Acceptance

The development process can be very public in nature. Furthermore, San Francisco has a strong tradition of public involvement in policy discussions, and possesses a very engaged citizenry on development issues. This activism often takes the shape of organized opposition to housing projects across the City, even towards well planned and designed developments. Such vocal

opposition poses very real impediments to project sponsors, and can lead to significant time delays, additional cost, or a reduction in the number of residential units produced. The City is committed to the involvement of citizens in the planning process and to the education of its residents on the importance of working towards citywide housing objectives. Some approaches to address the obstacles of these "Not In My Back Yard" attitudes are described below in the following section.

B. RESOURCES AND APPROACHES TO MEET CURRENT AND FUTURE HOUSING NEEDS

San Francisco housing policy in the 1980s and 1990s encouraged both residential development and housing preservation. These policies led to the: 1) adoption of zoning controls that retain existing residential densities in more established neighborhoods; 2) rezoning of certain commercial, industrial, and publicly owned sites to residential use; 3) encouragement of housing in excess of the basic floor area ratio in downtown development districts; 4) permitting higher densities in adopted affordable housing development districts; 5) creation of interim zoning controls to establish a mixed use area where housing and live/work uses would be encouraged, and buffer zones where residential and live/work uses would require conditional use authorization; and 6) drafting of policies to control the merger of residential units to help retain the existing supply of housing in the City.

Additionally, the Planning Department has taken a number of steps to increase the efficiency of permit processing. These efforts include filling staff vacancies and adding new positions in permit processing; providing for overtime work to reduce the work backlog; improving steps in permit application and information submittals; and physically reorganizing staff sections to create more space for permit review staff. The Department also continues to improve its computerized permit information tracking system

The City continues to seek to enhance the overall livability of its neighborhoods. To this end, it has identified major areas of that can absorb significant new housing development without adverse impacts on surrounding neighborhoods. These areas primarily consist of Redevelopment

Project Areas, three pilot Better Neighborhoods plan areas, and neighborhoods throughout the eastern portion of the City currently in the Community Planning Process. The Planning Department is dedicated to zoning changes citywide that encourage new housing in areas particularly close to transit. Opportunities for new affordable and market rate housing are being pursued on publicly owned sites, as well as in large commercial and institutional developments. Furthermore, all new market rate housing developments of ten or more units will be subject to the City's new Inclusionary Housing requirements that will generate new affordable units in San Francisco.

To further facilitate housing production in San Francisco a number of policies are being developed. The following partial list of policies and programs under development are discussed more thoroughly in Part II of the Housing Element, *Policies and Objectives*.

1. Reduce uncertainty for housing developers and generate community support for new housing by adopting specific plans, citywide programs, and specialized zoning that will guide and foster housing production at appropriate locations, including:

- Neighborhood based Specific Plans that establish development profiles with completed program EIRs, which obviate the need for case by case environmental determinations;
- Transit Oriented Neighborhood Commercial District (NC-T) Zoning. Controls that provide increased housing densities above the ground floor and reduced residential parking requirements on linear shopping streets and along transit corridors. Designations would apply to areas that offer convenience goods and services in close proximity to transit.

2. Increase availability of land for housing by:

- Rezoning certain former industrial areas near downtown to mixed use and encourage the development of high density housing;
- Allowing increases in housing densities in appropriate areas citywide;
- Requiring replacement housing for units demolished due to public or private action;

- Facilitating the construction of new housing in C-3 (downtown commercial) zoning districts and;
- Reducing parking requirements on residential projects.

3. Facilitate permit processing by:

- Simplifying and expediting the processing of building permits;
- Prioritizing review of housing projects;
- Further enhancing interdepartmental project review coordination and;
- Preparing master environmental impact reports covering all potential new housing in a selected area to streamline the approval and construction processes.

4. Enhance capital funding by identifying the availability of private resources for housing development, and leveraging government funding programs including:

- Federal housing resources such as CDBG, HOME, Lead Hazard Reduction Grant, Section 202 Elderly Housing Program, Section 811 Disable Housing Program, Low-Income Housing Tax Credits, McKinney Supportive Housing Program, and Comprehensive Grants;
- State housing funds including CHFA Multifamily Bonds, and Low-income Housing Tax Credits and;
- City housing resources that include Affordable Housing Bonds, Tax Increment Bonds, Hotel Tax funds, Jobs-Housing Linkage Program funds, Hotel Conversion Mitigation fees, Seismic Rehabilitation Bonds, Tax-Exempt Revenue Bonds, Code Enforcement Rehabilitation funds, surplus City-owned land, and SFRA owned land.

5. Support housing affordability by:

- Exploring a land banking program to acquire land for future affordable housing development;
- Relaxing minimum lot sizes and parking requirements for affordable housing;
- Reducing or eliminating permit fees for permanent low income affordable housing projects;
- Identifying additional resources for the rehabilitation of residential hotels and;

- Providing density bonuses for projects with a share of low-income housing units.

VI. COASTAL ZONE HOUSING

The City's entire western shoreline is within California's coastal zone area. The coastal area zone boundary includes about 30 residential blocks that front near the shoreline. California State regulations require that the Housing Element detail new construction and demolition activity occurring along the California Coastal Zone.

Fifty-seven new units in 22 structures were built between 1990 and 2000, an average of about five new units a year. In this same period, six buildings with eight units were demolished, although four of these were rebuilt with a total of six units. Fourteen projects with 64 units are slated to be constructed in the coastal zone.

Within the larger census tract areas fronting the coastal shoreline (about 150 blocks), new construction in in-fill sites has averaged about 12 units per year and demolition has averaged about four a year.

TABLE I-42

New Construction and Demolition Activity in Coastal Area, 1990-2000

Coastal Area New Construction and Demolition Activity (1990 - 2000)				
	Coastal Area		Larger Census Tracts	
	No. of Structures	No. of Units	No. of Structures	No. of Units
New Construction Completed	22	57	61	127
Demolition Completed	6	8	57	46
Pipeline	12	59	29	231

Residential development in the Coastal Zone must conform to City Planning Code density requirements. Development projects in the coastal zone also are required to apply for a coastal permit and are reviewed for consistency with Western Shoreline General Plan policies contained in the Western Shoreline Plan and Proposition M policies, which aim to preserve the City's supply of affordable housing.

In addition, new construction and demolition permits are reviewed for consistency with Article 10 of the California Government Code which requires that affordable lower income units converted or demolished in the Coastal Zone Area be replaced on a one-for-one basis, and that new housing developments, where feasible, provide housing units for persons and families of low or moderate income.

HOUSING ELEMENT PART II:

OBJECTIVES, POLICIES AND IMPLEMENTATION PROGRAMS

INTRODUCTION

This second part sets forth objectives, policies and implementing programs of the Housing Element. These objectives and policies are general in nature and will serve as the framework for decision-making and priority setting. It is through the implementation of these housing objectives and policies that the City will be addressing the problems and needs identified in Part I. There are three major prerequisites that must be met in order to implement these objectives and policies:

- An adequate supply of land must be identified;
- Regulatory and other impediments must be removed and incentives identified and provided to make the housing delivery system as efficient as possible; and
- Adequate financing must be made available for both private and non-profit housing development.

San Francisco's population has grown since 1990 but new housing construction struggled to keep abreast. The City's population has returned to its post-War peak and is expected to continue to grow through 2020 (Table I-1). San Francisco households grew an average of 2,400 a year in the last decade yet the addition to the housing stock averaged fewer than 1,000 annually (Tables I-2 and I-20.). Some of the increase in San Francisco's population comes from natural growth, but much more can be attributed to the economic boom of the mid and late 1990s. As the regional economy flourished, housing costs throughout the region skyrocketed. Families and renters with low incomes were especially hard pressed to find adequate housing. As vacancy rates plummeted, even middle-income householders could not bear entering the housing market without paying more than 50% of their income to rents. There were similar or more extreme situations throughout the region.

Even then, many people aspire to live in San Francisco. San Francisco is also a traditional employment hub. Workers are able to reduce commute distances by living in the City and using its extensive transit network. Schools, services, cultural opportunities enrich the lives of San Francisco neighborhoods. Residents value the unique combination of natural setting, built environment, and cultural diversity. A human scale that welcomes children, families, immigrants, and people of diverse backgrounds defines many neighborhoods. New residents will continue to be attracted to San Francisco's new and established neighborhoods, and its attractive but aging housing stock. San Francisco policy makers will need to determine how to comfortably accommodate present and future residents with varying incomes, household size and composition. At the same time, we must preserve the values that San Francisco residents cherish. There must be opportunities for families, children, seniors, and people of different cultural backgrounds to contribute to the unique blend that is San Francisco.

The average San Francisco household size, which has grown steadily smaller following the War, increased in the 1990s as housing costs rose and forced shared rentals among non-relatives. Family households, which now make up less than half of all San Francisco households, tend to be larger than the average household and are under-served by newly-built housing, which were likely to have two bedrooms or less. San Francisco will need to take positive steps to support families to avoid becoming a city of adults only. This will require both a conscious encouragement of units suitable for families and the conscious creation of neighborhoods with schools, libraries, parks and other services.

Current and future residents of limited means are likely to need assistance to continue to live in San Francisco. Most future San Francisco workers will be earning below 80% of the area's official median income. Sales clerks and secretaries, as well as technical professionals and bank executives, need to be able to live in San Francisco. San Francisco should also house the additional firefighters, policemen, teachers, and primary care providers needed to support the City's growing population. Even construction workers who will be building the new houses will need housing they can afford.

The high costs of living in or moving to San Francisco has already become evident in who now lives in the City. For example, while service workers make up 44% of the City's workforce, only 14% of City residents are in the service sector. The proportion of San Francisco's children sank from 25% in 1990 to less than 15% in 2000. These demographic trends could only worsen unless housing is available for local workers and families. Above-moderate income market rate housing makes up most of the housing produced and has already exceeding projected needs. While federal and state subsidies have provided funds to build housing affordable to very-low and low-income householders, moderate-income householders have found themselves in a tight squeeze for affordable housing. San Francisco will need to aggressively produce affordable housing to avoid becoming a city where only the rich may live.

The Association of Bay Area Governments (ABAG) has estimated that San Francisco needs 2,717 new units annually to accommodate household growth, and to meet regional goals of reducing commuting into the City. As recent production fell short of this annual target, at least 3,200 new units a year must be built between 2001 and 2006 in order to meet regional goals. At least 40% of these should be affordable to low and very low income households, and 32% affordable to households of moderate means. San Francisco must adopt a Housing Element that has to grapple with this seemingly intractable problem of making two-thirds of its new housing supply through 2006 available at below market prices.

Although San Francisco is typically seen as built-out, numerous opportunities for new housing construction exist. Scattered across the City are vacant or underused lands suitable for in-fill construction. As many as 35,000 new housing units could be built on such parcels under current zoning. Supporting infrastructure and community services already exist in these established neighborhoods. New neighborhoods springing up and planned in Redevelopment areas such as Mission Bay and the Hunters Point Naval Shipyard will provide housing in a variety of unit sizes, offered at both market and affordable rates.

Neighborhood commercial corridors also provide opportunities for additional upper residential stories to be built above ground level retail. That these areas also happen to be along transit lines offer greater possibilities for strong links between housing and employing and moving people. Reduced residential parking requirements in these transit intensive areas could be an added incentive to building housing above commercial uses. Denser construction, where it is already allowed, can also significantly boost housing counts and add vitality to street life as well. Sites near downtown show the most promise for such development.

However, the last decade saw much of the new housing built on the less-expensive industrial lands in the City's eastern portion, displacing needed services and threatening the vitality of the City's diverse economy. Continuing this trend without clear policies and rules that optimize the use of scarce land could result in the loss of crucial support services and diminish the quality of life.

Increasing the City's housing supply need not mean spoiling existing neighborhood character. The Planning Department's aim is to plan for growth in a way that builds on the positive qualities of San Francisco and strengthens the character of our neighborhoods. Planning efforts are intended to respond to human needs—ensuring that new development contributes to creating a more livable city. In response to the city's housing crisis, the Department is revisiting planning policies and procedures citywide to encourage sufficient housing to accommodate the ABAG identified needs in the best possible locations, at appropriate densities and at prices affordable to those who live and work in our city.

The five initiatives of this citywide action plan (CAP) are:

1. Encouraging Housing and Better Neighborhoods Citywide. Policy initiatives to encourage and facilitate the development of housing citywide, especially the development of affordable housing.
2. The Downtown Neighborhoods. Planning for a new downtown neighborhood south of the downtown office core. This will include capturing housing potential in the downtown

office district as well as encouraging new housing adjacent to downtown: in areas such as Rincon Hill, the Transbay Terminal area, and Yerba Buena Center, as well as lands designated for housing encouragement through the Planning Department's community planning process.

3. Infill in Transit- and Service-Rich Areas. Policy initiatives for supporting and encouraging higher-density, mixed-use—primarily residential—infill in selected transit-rich corridors.
4. New Permanent Controls For Core Industrial Lands. The department is in the midst of an analysis to determine which of San Francisco's industrially zoned lands are central to the city's economic health, and developing new permanent industrial controls for those determined to be core lands.
5. New Permanent Controls For Surplus Industrial Lands. Industrial lands determined through the department's land use analysis and community planning process not to be strategically important to the city's economic health will be made available for other uses, primarily housing. New permanent controls for these new uses are being prepared.

Perhaps the best prospects for tackling the need to house San Franciscans while enhancing the good qualities of city living are exemplified by the specific plans, as part of a citywide action plan (CAP), known as the Better Neighborhoods program. The success of the pilot neighborhood plans – Balboa Park, Central Waterfront, and Market and Octavia – will be gauged not just in the number of new housing units built on currently vacant or underused parcels but on other measures as well. Undertaking comprehensive community-based planning will result in meeting current and future residents' needs, including a variety of housing types and sizes, a range of services and amenities for families, and a pleasant and rewarding urban environment. In conjunction with planning for transportation, education, social services, safety and other aspects of urban life, this community-based land use planning can maintain and enhance the quality of life for San Francisco's diverse population: children, seniors, artists, immigrants, people from diverse backgrounds, different occupations.

San Francisco's housing objectives and policies emphasize affordable housing production, suitable housing locations and adequate housing choices, enhanced neighborhood environments, and the preservation of the City's existing housing stock. These objectives and policies are instructed by and consistent with two of the General Plan's Priority Policies. These are:

- That the City's supply of affordable housing be preserved and enhanced.
- That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

The objectives and policies detailed below address the state's and the region's goals of achieving decent and suitable housing for all and meeting San Francisco's fair share of the regional housing needs. The Housing Element explicitly promotes housing affordability because the City's and the region's high housing costs directly impact low-income households. Increasing the City's housing stock, protecting and conserving existing units, and encouraging housing choice are objectives predicated on affordability. The homeless and households with special needs are also given particular attention as these vulnerable populations have limited housing options. Livability will not be sacrificed with the push to expand the City's housing supply. New housing will be directed to appropriate locations, with sufficient supporting infrastructure, institutions and urban amenities. The implementing programs accompanying these objectives and policies are in response to meeting San Francisco's fair share of the regional housing needs.

HOUSING SUPPLY

OBJECTIVE 1

IDENTIFY AND MAXIMIZE OPPORTUNITIES TO INCREASE THE POTENTIAL SUPPLY OF HOUSING IN APPROPRIATE LOCATIONS CITYWIDE

New housing, particularly permanently affordable housing, is required to help meet the City's housing needs. New housing is needed to accommodate projected population growth, improve the jobs/housing balance so that fewer new San Francisco workers will have to live outside the city and commute to work, increase the vacancy rate and relieve rent pressures, meet the needs of specific population groups not adequately housed in the existing stock, and reduce homelessness.

New residential development must be of a character and stability that enhances the City's neighborhoods and maintains the quality of life for existing and future residents. How this new residential development can be accommodated without jeopardizing the very assets that make living in San Francisco desirable must be discussed. In order to enhance the city's livability, the supply of housing must be increased and new housing developments should respect the scale and character of the surrounding neighborhood. The lot pattern and building bulk should relate to surrounding properties. Transit and other public and private services should be available to serve the new residents. High quality design should ensure that new residential development is compatible with, and enhances, its surroundings. Neighborhood groups, project sponsors, and City agencies should work together to create designs that contribute to great neighborhoods for current and future residents.

To ensure a balanced approach to development and the rate of change in San Francisco, the City should use its planning powers including zoning and permit review to encourage residential development in areas where it can be accommodated well and discourage it where it is less appropriate. The City should use its zoning and land use controls, environmental review

processes, General Plan policies, area plans, and capital improvements and financial programs to address the location and intensity of growth in San Francisco.

In order to advance General Plan policies, including the Housing Element, the Planning Department is engaged in several on-going projects and studies on overall growth in the City and housing need. These efforts include the Better Neighborhoods 2002 program, the drafting of a new Land Use Element of the General Plan, and community planning activities for the Eastern Neighborhoods of the City. These projects will result in specific zoning and design guidelines that will encourage housing development in appropriate locations throughout San Francisco.

Over the past decade, the City's employment growth has far exceeded the production of housing. The significant jobs/housing imbalance specifically meant that not enough new housing was built to meet the needs of the City's expanding workforce. This jobs/housing imbalance has particularly harmed lower-income households who are unable to compete in the housing market as demand for and the cost of housing escalates. In the face of increasing pressures in the housing market, households with the fewest resources and those with special needs became the most vulnerable to extreme rent burden, evictions, or even homelessness.

POLICY 1.1

Establish higher residential densities near transit corridors, in neighborhood commercial districts, and in appropriate areas near Downtown.

San Francisco enjoys an extensive network of transit lines and along transit-preferential streets are numerous infill-housing opportunities. While different zoning controls may result in different housing configurations and densities on these parcels, residential parking requirements in these cases can be modified.

Proximity to transit does influence rates of auto ownership and the need for parking. Some 29% of the City's households do not own cars and 31% of San Franciscans take public transit to work. These rates are even higher for households living in areas well served by transit. Locating new housing along transit-served areas supports the City's transit first policy and can discourage car dependency. Reducing or waiving residential parking requirements in housing development along transit-preferential streets would not only cut construction costs but could also allow for additional or larger units.

Additional housing should be encouraged in neighborhood commercial districts, including floors above ground-level commercial uses, and in areas well served by transit. There is a reduced need for automobile use in these areas due to their proximity to transit, services, employment, and entertainment. Parking and traffic problems can be further addressed by community parking facilities and car-sharing programs, and other creative transportation programs.

Moderate to high densities presently exist in many established residential areas adjacent to downtown. These levels should be maintained. These neighborhoods provide housing close to urban employment centers, homes for newcomers, and serve as centers for culture and the arts. They are among the traditional neighborhoods that give San Francisco its flavor and character. New neighborhoods close to downtown should be built emulating these urban densities to foster urban values.

IMPLEMENTATION 1.1

- A citywide action plan (CAP) should provide a comprehensive framework for the allocation of higher density, mixed-use residential development in transit-rich areas with stable urban amenities in place. In these areas, specific CAP strategies should include: higher densities, particularly near downtown; reduced parking requirements; secondary units in predominately single family home areas; pedestrian-oriented improvements to enhance the attractiveness and use of transit.

- The City will continue to promote higher density housing along transit corridors such as Van Ness, Market, Mission, and Geary.
- The City will continue to evaluate eliminating density requirements and reducing parking standards in areas well served by transit.
- All City agencies, including the Mayor's Office of Housing and the Redevelopment Agency, will continue to provide support for market rate and below market rate housing in other areas well served or planned to be served by transit.

POLICY 1.2

Encourage housing development, particularly affordable housing, in neighborhood commercial areas without displacing existing jobs or discouraging new employment opportunities.

The City's neighborhood commercial districts offer the potential for new additional housing over ground floor retail uses. In many cases, additional floors can be constructed to make full and efficient use of appropriately scaled height limits. As these neighborhood-shopping areas often line transit-preferential streets, residential parking requirements could also be reduced or waived. If necessary, private open space requirements could also be modified, with alternative access to the outdoors considered. New housing represent not only an expanded market to support neighborhood retail but its residents will serve as the eyes and ears of the streets. In the long term, neighborhood commercial district controls and standards should be revised to recognize and enhance the supporting role and centrality of these districts to the surrounding residential districts.

IMPLEMENTATION 1.2

- The City will continue to work to relax parking requirements and revise height, bulk, and density standards in neighborhood commercial districts (NCDs) well served by transit to

strengthen their function as a traditional “town center” for the surrounding residential districts.

- The Planning Department will review planning and permit procedures to remove impediments to the production of housing and neighborhood serving uses in commercial and neighborhood commercial areas near transit corridors.

POLICY 1.3

Identify opportunities for housing and mixed-use districts near downtown and former industrial portions of the City.

Opportunities exist for new residential development in areas close to and in downtown. It may also be possible to provide for new housing in some underused industrial and commercial districts in parts of the city without significant displacement of existing residential units or viable commercial and industrial activities. Housing should be encouraged in former industrial areas where newer residential neighborhoods have already become established. Certain sites, because of their location or existing use, may not be appropriate for new residential development.

IMPLEMENTATION 1.3

- The City’s primary transit hubs, downtown and areas nearby are expected to absorb major office and residential developments over the next decade. Planning and zoning code changes should include: increased height and bulk requirement revisions; floor-to-area ratio exemptions and no density requirements for residential development; and reduced parking requirements.
- The Planning Department will introduce zoning changes in the traditionally industrial eastern part of the City. The areas under study are: Mission, South of Market, Showplace Square/Potrero Hill, South Bayshore, and Visitacion Valley. Housing, especially affordable housing, will be encouraged in former industrial areas where residential neighborhoods are established and urban amenities are in place or feasible.

- The Planning Department will continue to encourage housing development on brown field sites where clean-up costs are not prohibitive and attractive residential neighborhoods can be established.

POLICY 1.4

Locate in-fill housing on appropriate sites in established residential neighborhoods.

In established residential neighborhoods, new in-fill housing construction should be located: on vacant sites that are not designated for open space; where buildings cannot feasibly be rehabilitated or brought to acceptable levels of seismic safety; and where non-conforming uses have been terminated.

IMPLEMENTATION 1.4

- The Planning Department and the Planning Commission will continue to approve new in-fill housing construction in compliance with residential guidelines in established neighborhoods.

POLICY 1.5

Support development of affordable housing on surplus public lands.

Opportunities for housing development, particularly permanently affordable housing, on surplus vacant or underused public property should be aggressively pursued. The Planning Department should work with the Department of Real Estate, which manages the disposition of surplus public lands, to maintain a comprehensive and updated inventory of publicly held lands. City agencies should continue to identify and make available underutilized sites within their jurisdiction. In some cases the air rights of these sites may be made available for housing without interfering with their current public use. Housing over public parking, transit facilities or water storage facilities are examples of such joint use. City property no longer needed for the purpose for which it was acquired or for some other public purpose, such as open space and

recreation land, should be considered for rezoning, sale, or lease for development of permanently affordable housing. The City also owns several significant land holdings outside the City and County borders. Revenues generated from sale of surplus lands should be channeled into the City's Affordable Housing Fund. Similarly, federal or state lands acquired by the City should be considered directly as affordable housing resources. Development of publicly owned or controlled sites in redevelopment areas designated for housing should be expedited.

IMPLEMENTATION 1.5

- The City will require quarterly reporting of all publicly owned land to the Assessor's Office. The Planning Department will also work with the Department of Real Estate, which manages the disposition of surplus public lands to examine the feasibility of directing revenues generated from surplus land sales into the City's Affordable Housing Fund.
- The City will continue to evaluate surplus federal or state lands as an affordable housing resource.
- The Redevelopment Agency will continue to prioritize affordable housing on lands it controls.
- The City will promote joint development projects on surplus City and by developing surplus public lands with non-profit and for-profit developers.
- A separate list of State and Federally owned land should continue to be maintained for affordable housing development purposes.
- Construction over air rights and existing public facilities will be considered for affordable housing production on a case-by- case basis.

POLICY 1.6

Create incentives for the inclusion of housing, including permanently affordable housing, in new commercial development projects.

Mixed commercial/residential building development near downtown provides needed housing and adds 24-hour vitality. Existing incentives should be maintained and new ones created to

encourage housing and mixed-use projects in and near the downtown area. Housing in excess of the base floor-to-area ratio should continue to be encouraged in the Downtown General (C-3-G) and Downtown Support (C-3-S) Districts. Removing maximum dwelling unit density within a building envelope also offer the possibility of a variety of residential unit types and densities.

IMPLEMENTATION 1.6

- The Planning Department will review the following incentives for commercial project developments in the Downtown C-3 District: floor-to-area ratio (FAR) exemption for housing; no residential parking requirement; and no density requirements for residential projects. Housing in excess of the base FAR in the Downtown General (C-3-G) and Downtown Support (C-3-S) Districts has also been proposed by the Board of Supervisors.
- The Planning Department and the Redevelopment Agency will propose increasing height limits, eliminating density requirements and modifying off-street parking requirements in the Transbay/Rincon Hill redevelopment survey areas. The Mid-Market redevelopment survey area will be re-zoned to include mixed-use residential areas and reduced residential parking requirements.
- The Planning Department will continue to implement the Van Ness Avenue Plan which requires residential units over commercial uses.
- The Planning Department will update the Land Use Element to define areas for mixed-use development focused along transit corridors.

POLICY 1.7

Encourage and support the construction of quality, new family housing.

Children and families are very much part of the City's vitality and diversity. They bring life and transform even the City's least child-friendly downtown neighborhoods. But San Francisco's families with children are leaving as family-sized housing become scarce or prohibitive, outbid by more affluent and flexible non-family households that form as a response to the City's high rents and housing costs. The changing demographics of the City also hint at larger, extended families. Families with children and elderly members have few options as only 25% of the City's housing stock has three or more bedrooms. Much of the housing constructed in the last decade were of studios, and one- or two-bedroom units – too small to accommodate larger families. Single-family residential builders and contractors should be encouraged to develop the almost one thousand vacant lots in residential neighborhoods that can accommodate new single-family housing or duplexes.

New family housing need not be confined to the suburban residential neighborhoods. Children thrive in and can benefit from urban living. The compact nature of urban living can offer children proximity and access to various activities, especially those that appeal to their recreational and cultural interests. New residential development opportunities, including family housing, have been identified in neighborhoods near downtown. Developments that include various unit sizes that can accommodate families with children should be supported and encouraged.

IMPLEMENTATION 1.7

- The Planning Department will develop zoning amendments to require a minimum percentage of larger family units, ranging from two to four bedrooms, in new major residential projects. The Planning Department will also propose eliminating density requirements within permitted building envelopes in appropriate areas to maximize family units constructed.
- The Mayor's Office of Housing and the San Francisco Redevelopment Agency will continue to administer programs for development of family rental housing. Priority will

continue to be given to projects that include affordable family units for the homeless and those at-risk of homelessness, and include supportive services for residents.

- The Planning Department will study the feasibility of “flexible” development projects to accommodate family growth, shrinkage, expansion, and extension. Loft sleeping areas, family rooms, and master bedrooms, could be designed to ease future conversion to efficiency apartments for family members, or as an income unit.

POLICY 1.8

Allow new secondary units in residential areas that are in close proximity to neighborhood commercial districts and public transit.

Secondary units, also known as “in-law” units, are smaller dwelling units within a structure containing a larger unit. Secondary units are frequently located in basements or other space that is surplus to the primary dwelling. They represent a simple and cost-effective method of expanding the housing supply and can often be accommodated within the permitted building envelope. Such units could be developed to meet the needs of seniors and others who, because of modest incomes or lifestyle, prefer or need small units at relatively low rents. Secondary units are appropriate where they can be integrated without adversely affecting the character of the neighborhood, and where there is neighborhood acceptance. They are especially suitable in areas well served by transit and other services. The underutilized RH-1(S) zoning district, which addresses off-street parking concerns, should also be encouraged in traditional residential areas which can accommodate larger housing envelopes but may not be near transit or neighborhood services.

IMPLEMENTATION 1.8

- The Board of Supervisors has introduced Planning Code amendments to allow secondary units in new buildings that are in close proximity to neighborhood commercial districts and public transit.

- The Planning Department will support efforts and promote educational programs that will help residents in existing neighborhoods understand the advantages of incorporating some secondary units in their communities.
- The Planning Department will study the impacts of relaxing parking requirements for secondary units located in all neighborhoods.
- On-going planning will propose Planning Code amendments to encourage secondary units where appropriate.

POLICY 1.9

Require new office developments and higher educational institutions to meet the housing demand they generate, particularly the need for affordable housing for lower income workers and students.

New and expanding commercial activities increase the City's employment base. These new jobs are important to the residents of the City and the Bay Area and contribute to the continued economic vitality of the region. The workers filling these jobs also increase the City's need for housing. The City's Jobs-Housing Linkage Program, which exacts fees for affordable housing production, should be enforced and monitored. The fee structure should also be reviewed regularly to ensure fair burden on developers.

Similarly, institutions of higher education provide needed services and contribute to the intellectual and cultural life of the City. At the same time, their non-resident student body presents a housing need. Both commercial developments and higher educational institutions should assist in meeting the City's housing needs by contributing to policy discussions and revenue generation for the provision of additional housing.

IMPLEMENTATION 1.9

- The Planning Department will continue to support the Jobs Housing Linkage Program, which requires that commercial development provide housing or pay an in-lieu fee.
- Institutions are required to have an Institutional Master Plan that conforms to the General Plan. The Planning Department will evaluate higher educational institutions' student housing programs through the required Institutional Master Plan.

HOUSING RETENTION

OBJECTIVE 2

RETAIN THE EXISTING SUPPLY OF HOUSING.

The existing housing stock is the City's major source of relatively affordable housing. It is very difficult to replace given the cost of new construction and the size of public budgets to support housing construction. Priority should be given to the retention of existing units as a primary means to provide affordable housing.

POLICY 2.1

Discourage the demolition of sound existing housing.

Demolition of existing housing often results in the loss of lower-cost rental housing units. Even if the existing housing is replaced, the new units are generally more costly and are frequently condominiums rather than rental units. Demolition often results in displacement of residents, causing personal hardship and relocation problems.

In 1994, the Planning Commission adopted guidelines regarding housing demolition. In addition to the criteria for demolition approval, the guidelines require replacement housing or in-lieu fees to the City's affordable housing fund as full or partial mitigation for each unit lost. The City should continue to discourage the demolition of existing housing that is sound or can be rehabilitated, particularly where those units provide an affordable housing resource.

IMPLEMENTATION 2.1

- The City will continue to implement the Proposition M policy that requires that existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of neighborhoods.
- The Planning Commission will continue its policy to deny residential demolition permits until approval of a new construction permit is obtained.
- The Department of Building Inspection in consultation with the Planning Department will develop and periodically update criteria and continue to evaluate the soundness of housing before granting demolition approval.
- The Planning Department will continue to require replacement housing or in-lieu fees paid to the City's affordable housing fund as mitigation for sound housing unit to demolition.
- The feasibility of expanding the demolition definition will continue to be evaluated in order to prevent the loss of housing classified as "remodels."

POLICY 2.2

Control the merger of residential units to retain existing housing.

The Planning Commission has adopted policies that require Discretionary Review for all dwelling unit merger applications. The Housing Element, General Plan Priority Policies (Planning Code Section 101.1), and other Planning Commission directives are used to consider merger proposals on a case-by-case basis. Specifically, these criteria state that when reviewing applications for the removal of a legal dwelling unit, the Planning Commission must consider the detrimental effects to the housing supply, landmark designations, and planned owner occupancy.

The Planning

Commission must also work to minimize displacement, and ensure code compliance and structural safety.

IMPLEMENTATION 2.2

- The Planning Department will continue to require Discretionary Review for all dwelling unit merger applications. Merger proposals will be considered on a case-by-case basis and approved or rejected on their individual merits as they pertain to policies of this Housing Element, the General Plan Priority Policies (Planning Code Section 101.1), and other Planning Commission directives. Detrimental effects to the housing supply, the minimization of displacement hardships, code compliance, structural safety, landmark designations, and planned owner occupancy will continue to be considered during Discretionary Review.

POLICY 2.3

Restrict the conversion of rental housing to other forms of tenure or occupancy.

Conversion of existing rental apartment buildings to condominiums, stock cooperatives or tenant in common ownership, depletes the supply of the City's more affordable housing stock. It also brings into conflict two desirable goals — expansion of homeownership opportunities and preservation of the existing rental housing stock. While conversions to condos, co-ops, and tenancy-in-common expand the number of units available for purchase, they do so by reducing the number of units available for rent. As a result, existing and future tenants who cannot buy at that time can be displaced. Similarly, the use of large, older apartment buildings for time-sharing or corporate suites can cause displacement of existing residents.

In general, conversions should not shift the balance between ownership and rental housing, and should protect potentially displaced tenants to the maximum extent possible. Closely evaluating proposed conversions and limiting the number of conversions annually, could achieve a reasonable balance between ownership and rental housing.

IMPLEMENTATION 2.3

- The City will continue to limit the conversion of rental housing with the Condominium Conversion Ordinance. This ordinance limits the annual number of units converted and allows only small projects with owner occupants to be considered for conversion. Conversion approval will continue to require a high degree of tenant intent to purchase their rental unit as a condition of approval. The conversion criteria include Tenant Rights Rules. Renters are given the right to purchase their unit at a price established by the owner or they can choose to rent the unit at their current rent for one year after the conversion is complete. Tenants who are 62 or older are entitled to a lifetime lease.
- The City will evaluate requiring sales price limitations on existing low and moderate-income housing units that are proposed for conversion.
- The City will study requiring a portion of any condominium conversion subdivision to remain permanently affordable and requiring developers to construct an equivalent number of similar units elsewhere or pay an equivalent in lieu fee to the City's Affordable Housing Development Fund.
- Conversions to uses other than housing should not be permitted unless a specific evaluation by the Planning Commission concludes that there is clear and convincing evidence that such conversion is the only recourse in the interest of the common weal.

POLICY 2.4

Retain sound existing housing in commercial and industrial areas.

Many parts of San Francisco were developed before there were zoning regulations that separated various types of land uses. As a result, thousands of housing units were built in areas that also contain industrial and commercial uses and have since been zoned industrial or commercial. Many of these housing units are sound or could be rehabilitated. They represent a significant portion of the City's affordable housing supply and would be very difficult to replace. Yet, in

many of the areas that such housing is located, it could be profitable to convert to a non-residential use.

In many neighborhood shopping areas, conversions of upper floor housing units to non-residential use are subject to conditional use review. Under such review, the desirability of retaining the housing can be weighed against the public benefits to be gained by the alternative use. As a general rule, conversion should be considered only for needed neighborhood serving commercial activities that cannot reasonably locate elsewhere in the commercial district. Similarly, in downtown commercial districts, conversion to non-residential use should be subject to conditional use review.

Housing enclaves in industrial areas should be protected by residential or special use district zoning, so that conversion to non-residential uses cannot take place. However, the continuation of residential uses on scattered and isolated lots within developed industrial areas can cause conflict with legitimate industrial needs. Here, conversion should be a conditional use so that the specific industrial need can be weighed against the need to conserve housing.

IMPLEMENTATION 2.4

- The Planning Department will continue to retain existing housing in commercial and industrial areas by regulating conversions as provided in the Planning Code.
- As part of the Planning Department's current citywide action plan, planning efforts in the eastern neighborhoods of the City, where housing exists in commercial and industrially zoned districts, will address housing retention as new policies and zoning are established.

POLICY 2.5

Preserve the existing stock of residential hotels.

Residential or single-room occupancy hotels (SROs) represent a unique and often irreplaceable resource for thousands of lower income elderly, disabled, and single-person households. Most of these hotels are close to downtown and have been subject to strong economic pressures that led to conversion or demolition. As San Francisco grew as a tourist center, many of these hotels have been converted to permanent or seasonal tourist uses. Others have been demolished and replaced with other uses. Some of these SROs are being used as family housing. In the City's tight housing market, some downtown SROs have also become dormitories and efficiency apartments for nearby educational institutions. In the last five years, fires and other safety code violations have displaced hundreds of low-income residents.

The retention of remaining units housing for permanent residents should be supported. Residential hotels located in predominantly residential areas should be protected by zoning that does not permit commercial or tourist use. In non-residential areas, conversion of units to other uses should not be permitted or be permitted only where a residential unit will be, or has been, replaced with a comparable unit elsewhere. For those hotels that are operated as mixed tourist/permanent resident hotels, strict enforcement is needed to ensure that the availability of the hotel for permanent residential occupancy is not diminished. The City should facilitate the purchase and master lease of residential hotels by non-profit entities for the purpose of improving the quality of the housing and achieving long-term affordability.

IMPLEMENTATION 2.5

- The Residential Hotel Ordinance regulates and protects the existing stock of residential hotels. This ordinance requires permits for conversion of residential hotel rooms, has a strong replacement provision, and requires 80% of cost of replacement to be provided to the City in the case of conversion or demolition.
- The Department of Building Inspection and the San Francisco Fire Department will continue to regulate the safety of these buildings through annual inspections.
- The City will continue to facilitate the transfer of residential hotels to effective non-profit housing organizations to ensure permanent affordability, livability, and maintenance.

- The City will continue to support the work of the SRO Health and Safety Task Force and the SRO Code Enforcement Task Force.

POLICY 2.6

Establish procedures for considering the legalization of existing illegal secondary units, particularly in areas near transit and commercial districts.

It is estimated that over 20,000 housing units in the City were built without a building permit. These units may exceed allowable densities, may not provide for current parking requirements, or may not meet minimum standards set forth in the San Francisco Building Code. However, these units constitute a major source of affordable housing in the City and their loss would dramatically increase pressure on the housing market.

Proposals to allow legalization of secondary units under certain conditions have been made over the years but have not been adopted because of neighborhood opposition. Some units have been eliminated through abatement proceedings, largely originated by complaints, while additional units continue to be created without permits. The City should develop procedures to legalize existing illegal secondary units and bring them into code compliance.

IMPLEMENTATION 2.6

- Proposed legalization calls for studying the legalization of existing secondary units that are located in transit rich areas and in neighborhoods that can accommodate increased densities. The City will consider the reduction of permitting fees and elimination of additional penalties to make legalization an attractive option for owners.
- The City will continue to examine ways to address neighborhood opposition to the legalization of secondary units.
- The City will consider regulation which might be required to mitigate neighbors' concerns about off-street parking.

- The Planning Department will continue to study and implement mechanisms for keeping secondary units affordable.

HOUSING CONDITION

OBJECTIVE 3

ENHANCE THE PHYSICAL CONDITION AND SAFETY OF HOUSING WITHOUT JEOPARDIZING USE OR AFFORDABILITY.

Over one-half of San Francisco housing is more than 60 years old. As the City's housing stock ages, maintenance becomes increasingly important. Considerable private investment into the renovation of some of the City's older housing units, has lessened the need for some types of direct public intervention used in the past. There is, however, a continuing housing rehabilitation need. The City should monitor those areas of the city particularly susceptible to a decline in housing quality, and take appropriate remedial steps where necessary.

POLICY 3.1

Ensure that existing housing is maintained in a decent, safe, and sanitary condition, without increasing rents or displacing low-income households.

The City should ensure that residential units meet building code standards by periodic inspection of apartments and hotels and promptly responding to complaints. Code compliance activities should be designed to minimize any financial hardship for lower income households brought on by required rehabilitation. Low interest and deferred payment loan programs should be targeted to low and moderate-income tenants.

IMPLEMENTATION 3.1

- The San Francisco Department of Building Inspection will continue to ensure that residential units meet building code standards by responding to complaints and through periodic inspection of apartments and hotels.

- The Department of Building Inspection will continue to issue code violations for residential properties that are not decent, sanitary, or safe. If violations are repeatedly ignored and not corrected, the City Attorney's Office will continue to assist in abatement.
- The Mayor's Office of Housing will continue to offer low interest and deferred payment loan programs designed to target and benefit low and moderate-income tenants including the Code Enforcement Rehabilitation Fund (CERF) and Community Housing Rehabilitation Program (CHRP).
- The Mayor's Office of Housing will continue to provide funds for rehabilitating existing housing with affordability restrictions in order to improve living conditions for residents and extend the properties' useful life as affordable housing.

POLICY 3.2

Preserve at risk, privately owned assisted housing.

Privately owned and operated assisted housing is under continuing pressure to convert to market rate housing. Existing funding levels for some developments have either failed to keep pace with actual costs or have less than favorable returns, causing owners to convert units to market rate or sell their properties outright, and thereby removing units from the stock of assisted housing. Policies are needed to encourage the retention of the existing assisted housing stock wherever possible.

IMPLEMENTATION 3.2

- The San Francisco Redevelopment Agency will continue to support the acquisition and rehabilitation of multifamily and senior housing that is at risk of being converted to market rate due to the expiration of existing rental subsidy contracts or the prepayment of HUD-insured mortgages.

POLICY 3.3

Maintain and improve the condition of the existing supply of public housing.

The San Francisco Housing Authority is the largest landlord in San Francisco with over 6,200 units, and is one of the few sources of permanently affordable housing for low-income households. Operating subsidies and modernization funds provided by the Federal government have not been adequate to keep this conventional public housing in sound condition. Increased Federal support, innovative local financing techniques, energy efficiency measures, and creative property management and customer service are all required to maintain and improve this valuable supply of affordable housing. Additionally, long-range plans for public housing should be developed including identifying opportunities for potential mixed income infill development where consistent with overall social goals and inter-agency collaboration.

IMPLEMENTATION 3.3

- The San Francisco Housing Authority will continue to administer the HOPE VI grants. Recent grants will help revitalize five housing sites and provide 1,228 affordable housing units. Additional funds will add 137 accessible and 207 adaptable apartments to the SFHA stock.
- The San Francisco Housing Authority will continue to manage other publicly assisted projects. Capital Fund and CDBG grants will assist in sustaining comprehensive modernization and capital improvements at SFHA sites. The average annual funding is \$26 million, and its focus is to stabilize living conditions in the current housing stock.
- The San Francisco Housing Authority will continue to maintain communication between housing organizations in the city through the CHAS Public Housing Subcommittee. In collaborative partnerships with the Mayor's Office of Housing, the Redevelopment Agency, non-profit corporations, and private sector venture. Additionally, SFHA will encourage the establishment of the "Friends of Public Housing," a non-profit organization. The San Francisco Housing Authority has created the SFHA San Francisco

Housing Corporation, a bona-fide non-profit corporation which leverages maximize resources and assists in the sustainability of programs for low-income households.

POLICY 3.4

Monitor and moderate the correction of serious continuing code violations to prevent the loss of housing.

Code enforcement on hardship cases can present particular housing challenges. In some cases, compliance with full requirements should be deferred to the extent legally permissible if all life safety hazards are abated. In particular, the City should extend the period allowed for code compliance to avoid potential displacement of low- or moderate-income households until replacement housing can be found.

Where there is a refusal to correct serious but remediable violations, the City should exercise its ability to make the repairs and recover the costs by putting a lien on the property. In aggravated cases, the buildings can be placed in City receivership. Public assistance should then be provided to maintain affordability levels.

IMPLEMENTATION 3.4

- The Mayor's Office of Housing will continue to support the Code Enforcement Rehabilitation Fund (CERF) program to correct building code violations in housing for low- income residents.
- The City will continue to abate serious, repeated, building code violators.
- The City Attorney's Code Enforcement Task Force will continue its activities.

POLICY 3.5

Improve the seismic stability of existing housing without reducing the supply of affordable housing.

Despite substantial retrofitting efforts in the last decade following the Loma Prieta earthquake, there are about 8,590 residential units in unreinforced masonry buildings in San Francisco that require structural strengthening. Because these buildings are not sufficiently reinforced and the floors are not adequately tied to the walls, they are vulnerable to damage or collapse in an earthquake. These remaining buildings are located in the South of Market, the Tenderloin, Chinatown, and along the Bush Street and Van Ness Avenue corridors. Residential hotels, which are predominantly occupied by persons of relatively low incomes, make up much of these buildings at risk. Retrofitting programs should safeguard affordability and minimize displacement of low-income residents.

In addition to unreinforced masonry buildings, there are other residential buildings that are also vulnerable to damage in an earthquake. In many cases, property owners can undertake relatively inexpensive measures such as bolting frames to foundations and installing shear walls where needed. The City should continue its building seismic safety informational programs and also pursue technical assistance programs targeting earthquake safety precautions. These issues are also addressed in the Community Safety Element of the General Plan.

IMPLEMENTATION 3.5

- The Seismic Safety Bond Program will continue to fund the seismic rehabilitation of unreinforced masonry buildings to the extent that demand for funds continues to exist.
- The Office of Emergency Services has updated and improved the City's Emergency Preparedness Plans.
- The City Department of Building Inspection (DBI) will continue to mandate the seismic retrofit of unreinforced masonry buildings.

- The DBI is also developing a Community Action Plan for Seismic Safety (CAPSS) which is investigating the impacts of potential earthquakes and developing policies and programs to reduce these impacts.

POLICY 3.6

Preserve landmark and historic residential buildings.

The preservation of landmarks and historic buildings be preserved is a priority policy of the City's General Plan. Landmarks and historic buildings are important to the character and quality of the City's neighborhoods and are also important housing resources. Many of these structures contain larger housing units particularly suitable for families with children. More specific policies for these buildings will be contained in the Preservation Element, currently being prepared.

IMPLEMENTATION 3.6

- The Planning Commission will review and adopt the updated Preservation Element of the General Plan.
- The Planning Department and the Department of Building Inspection will continue to regulate the preservation and protection of landmark and historic residential buildings by monitoring use, alterations, and demolition.
- The City will continue to implement the Proposition M priority policy that landmarks and historic buildings be preserved.
- The Planning Department is working on an updated historical building survey to identify additional historically significant buildings.
- The Mayor's Office of Housing and the Redevelopment Agency will continue to fund the acquisition and rehabilitation of landmark and historic residential buildings for use as affordable housing.
- The Planning Department will continue to encourage owners to use historic structure tax credits to improve their landmark and historic residential buildings.

- The Planning Department will continue to assist in Federal Environmental Review for historically significant local buildings receiving federal assistance.

HOUSING AFFORDABILITY

OBJECTIVE 4

SUPPORT AFFORDABLE HOUSING PRODUCTION BY INCREASING SITE AVAILABILITY AND CAPACITY

POLICY 4.1

Actively identify and pursue opportunity sites for permanently affordable housing.

Publicly owned land represents one potential source of sites for affordable housing. Government agencies should actively maintain an inventory of land within their jurisdiction and, with the Planning Department, identify sites with the potential to support housing development. This evaluation could include options for joint development or relocation of current facilities to other sites. Such appropriate and available public land, along with other financial subsidies, should then be considered for the development of housing. Priority should be given to immediate development of those public sites where 100% permanently affordable housing is achievable.

Large and privately held land parcels should also be identified and actively promoted for affordable housing. New programs should be established to acquire land and appropriate buildings for land and building “banking” in advance of specific project proposals.

While housing development can be incompatible with certain industrial uses and threaten viable activities, housing opportunity areas may exist in the primarily non-residential areas on the eastern side of the City. Land use analyses should continue and identify housing opportunity

areas in the five Eastern Neighborhoods of South of Market, the Mission, Potrero/Showplace Square, South Bayshore, and Visitacion Valley. Any rezoning of industrial land to residential use should include requirements, incentives and bonuses to encourage the development of attractive and affordable housing. Program EIRs should be developed for those areas with sufficient detail to eliminate need for subsequent project EIRs on residential projects.

IMPLEMENTATION 4.1

- The City's Affordable Housing Fund provides funds to the Mayor's Office of Housing (MOH) to respond to housing opportunities in areas of the City that are not in Redevelopment Agency Project or Survey Areas and outside Mission Bay. This fund, derived from payment of fees to the City by office, entertainment, hotel, retail, and research and development developers, will continue to be used to construct new affordable housing.
- The City's Housing Participation Policy provides for affordable housing to be developed as part of market-rate housing developments in all redevelopment project areas on-site or an in-lieu fee is imposed.
- The City will explore land banking in advance of specific project development proposals when possible.
- The City will work to identify underutilized, vacant, and brownfield sites that are publicly or privately owned and suitable for affordable housing development. The City will work with nonprofit housing developers to acquire these sites for permanently affordable housing.
- Program EIRs will be developed for new planning areas included in the Citywide Action Plan with sufficient detail to eliminate the need for subsequent project EIRs on future permanently affordable housing.
- Permanently affordable housing sites will be especially sought out in places where transportation and existing amenities are in place.
- The revised Land Use Element will identify appropriate sites for permanently affordable housing.

POLICY 4.2

Include affordable units in larger housing projects.

Inclusion of affordable housing is currently required of new housing projects containing 10 or more units. Although preference is given to on-site inclusionary housing to ensure economic integration in housing development, off-site construction should be considered if this results in significant numbers of new affordable housing. The City's inclusionary affordable housing program should be monitored and reviewed regularly to ensure fair burden and not constrain new housing production.

IMPLEMENTATION 4.2

- The Planning Department will implement its recently updated Inclusionary Affordable Housing requirement, which requires 10% to 17% of units in all projects with 10 units or more be made affordable.
- The Mayor's Office of Housing will continue to administer the sales and leasing of units created through the Inclusionary Affordable Housing program.

POLICY 4.3

Encourage the construction of affordable units for single households in residential hotels and "efficiency" units.

San Francisco has a relatively large stock of older residential hotels. The 1995 Single Room Occupancy Guidelines and accompanying Planning Code changes affecting densities, provision of kitchen facilities and parking now regulate the creation of these types of units. The Yerba Buena Commons, completed in 1995, demonstrated that it is possible to provide small but good quality units for single persons. Appropriate sites and sponsors for both market rate and affordable residential hotels should be developed.

IMPLEMENTATION 4.3

- Restrictive regulations in the Building and Planning Code, (such as kitchen, parking and densities requirements) will be studied by the Planning Department for possible modification.
- Appropriate sites and sponsors for affordable residential hotels will be identified through a coordinated effort between the Planning Department, the Mayor's Office of Housing and the Redevelopment Agency.
- Affordable housing advocacy groups will be encouraged by the City to hold project specific neighborhood acceptance community meetings when SRO housing developments are proposed in particular neighborhoods.
- The City will require that professional management companies be hired to operate newly constructed SROs so that the facilities and associated services will be properly maintained and suitable for occupancy in the future.

POLICY 4.4

Grant density bonuses and parking requirement exemptions for the construction of affordable or senior housing.

Current state law calls for adoption of an ordinance permitting a 25% density bonus for projects which provide 20% of the units for lower-income households, 10% of the units for very-low-income households, or 50% of the units for senior citizens. The City should allow higher density bonuses where such housing will not disrupt neighborhood character or scale. The current Planning Code provision of establishing special use district overlays should be reconsidered, with standards and other requirements uniformly applied.

IMPLEMENTATION 4.4

- Affordable and senior housing projects will continue to be granted density bonuses and reduced parking requirements on a case-by-case basis by the Planning Department.

- The Planning Department will investigate appropriate parking requirements for all affordable or senior housing projects, and eliminate requirements for projects in areas well served by transit.

POLICY 4.5

Allow greater flexibility in the number and size of units within established building envelopes, potentially increasing the number of affordable units in multi-family structures.

In San Francisco, housing density standards have traditionally been set in terms of numbers of dwelling units in proportion to the size of the building lot. For example, in an RM-1 district, one dwelling unit is permitted for each 800 square feet of lot area. This limitation generally applies regardless of the size of the unit and the number of people likely to occupy it. Thus a small studio and a large four-bedroom apartment both count as a single unit. This method of calculating density encourages larger units and is particularly tailored for lower density neighborhoods consisting primarily of one or two-family dwellings.

In some areas, which consist mostly of taller apartments and which are well served by transit, the volume of the building rather than number of units might more appropriately control the density. Here the building envelope, as established by height, bulk, set back, parking and other Code requirements, would set the maximum residential square footage which could be sub-divided into a greater number of smaller units or a smaller number of larger units.

IMPLEMENTATION 4.5

- The Planning Department will explore ways to promote flexibility within a given building envelope to build a variety of unit types, ranging from a greater number of smaller units to fewer larger family units.

POLICY 4.6

Support a greater range of housing types and building techniques to promote more economical housing construction and achieve greater affordable housing production.

Prefabricated or manufactured homes can be a valuable source of low cost housing. At its best, manufactured housing uses high technology and mass production techniques to reduce costs without sacrificing quality of design. Industrialized wood construction techniques used in lower density housing and light-weight prefabricated, pre-stressed concrete construction in moderate and high density housing also have the potential of producing great savings in construction time and cost. The use of these and similar techniques should be encouraged. Their use as temporary, emergency or transitional shelter on otherwise unutilized sites should be explored.

IMPLEMENTATION 4.6

- A low cost housing construction task force will be formed between the Mayor's Office of Housing, Department of Building Inspection, the Planning Department and the housing design and construction industry.
- In order to lower cost the building industry will be encouraged to investigate the use of industrialized wood construction techniques in lower density housing, and the use of light-weight prefabricated, pre-stressed concrete construction, in moderate and high density housing.
- The City will work to allow secondary units within existing building envelopes. This will potentially reduce costs by one third compared to new construction of a similar sized unit.
- The City will work to encourage manufactured home production, per California law (Gov. Code 65852.3) that permits all manufactured homes built under HUD guidelines and on a foundation to be placed on lots zoned for conventional single-family residential dwellings.
- The Planning Department will encourage industry representatives to develop a model site to showcase the manufactured home product. This site will be used to educate the public with good models and dispel negative attitudes and inaccurate perceptions of manufactured home production.

- The Planning Department will write architectural compatibility guidelines to ensure that manufactured homes will blend into existing neighborhoods and alleviate public concern over design compatibility.
- The Planning Department will continue to support developers constructing co-housing, shared housing and group housing.
- The City will work with housing advocates to educate residents about the misconceptions of shared housing.

OBJECTIVE 5

INCREASE THE EFFECTIVENESS AND EFFICIENCY OF THE CITY'S AFFORDABLE HOUSING PRODUCTION SYSTEM.

POLICY 5.1

Prioritize affordable housing projects in the planning review and approval processes, and work with the development community to devise methods of streamlining housing projects.

The planning review and approval of affordable housing projects should be improved to reduce costly and significant delays. Without diminishing public participation, the administrative processing and approval of affordable housing should be expedited through administrative action, local legislation and, if necessary, State legislation.

IMPLEMENTATION 5.1

- The City will advocate for the shortening of the time period for environmental review under the California Environmental Quality Act (CEQA) for affordable housing projects.
- City agencies will work to expedite affordable housing applications.

- The Planning Department will establish a program for preparing Area Plan Environmental Impact Reports (EIRs) for affordable housing project sites to eliminate the need for conditional use permits and subsequent EIRs.
- The Planning Department will develop a streamlining process to consolidate the public hearing process and avoid duplicative discretionary hearings and appeals.
- Affordable housing advocacy groups and project sponsors will be encouraged by the City to conduct project specific neighborhood workshops to foster neighborhood understanding and acceptance of affordable housing projects.
- The City Attorney's office will work to establish neighborhood dispute resolution methods to minimize administrative appeals and judicial challenges of projects.

POLICY 5.2

Support efforts of non-profit organizations and other community-based groups and expand their capacity to produce and manage affordable housing.

Nonprofit housing development corporations have proven to be effective vehicles for the development of affordable housing. The City should continue to provide them with the technical and financial assistance to increase their production capacity.

IMPLEMENTATION 5.2

- The Mayor's Office of Housing will continue to fund and provide technical support to non-profit housing corporations.

POLICY 5.3

Create greater public awareness about the quality and character of affordable housing projects and generate community-wide support for new affordable housing.

Affordable housing projects are frequently delayed or withdrawn because of community opposition. Greater public awareness of affordable housing challenges and potential solutions is needed to gain broader, long-term support for housing strategies. Past affordable housing developments should be evaluated and their actual achievements documented and publicized. Any continuing problems associated with these developments should be examined and rectified, and appropriate corrections made in future developments.

IMPLEMENTATION 5.3

- City agencies and housing advocacy groups will coordinate community outreach efforts that support neighborhood acceptance of permanently affordable housing developments.
- The City will continue to support affordable housing by issuing press releases informing the public of permanently affordable developments with good design and effective management.

POLICY 5.4

Coordinate governmental activities related to affordable housing.

The City is required by federal Department of Housing and Urban Development (HUD) to prepare a five year Consolidated Plan to guide community development and housing assistance programs. The Consolidated Plan is the compilation of a coordinated effort between federal, state and local agencies that contribute to the production of housing and related services in San Francisco. This Plan was recently submitted to HUD in 2000.

IMPLEMENTATION 5.4

- The Mayor's Office of Community Development and the Mayor's Office of Housing will continue to draft and distribute the Consolidated Plan.

OBJECTIVE 6

PROTECT THE AFFORDABILITY OF EXISTING HOUSING AND PRODUCE A GREATER NUMBER OF PERMANENTLY AFFORDABLE UNITS.

POLICY 6.1

Protect the affordability of units in existing buildings at risk of losing their subsidies or being converted to market rate housing.

A number of subsidized housing developments were created with federally supported mortgages and project-based rental assistance. Many of these projects have reached the 20-year mark and the owners of the developments have an option to prepay existing mortgages and terminate the project-based rental assistance contracts.

IMPLEMENTATION 6.1

- The City will continue to advocate at both the state and federal levels, for the preservation of housing subsidies.
- The San Francisco Redevelopment Agency will continue to administer the Preservation of At-Risk Existing Affordable Housing program.
- In order to prevent the loss of affordable housing resulting from early termination of HUD mortgages, the creation of a residents and/or non-profit ownership and management program to acquire existing “at risk” buildings will be explored by the City.
- The City will work to prioritize relocation of tenants who lose Section 8 subsidies.
- SFRA will continue to advocate for local, state, and federal legislation that supports local efforts to preserve at-risk developments.
- MOH will continue to assist developers interested in preserving the affordability of at-risk housing.

- The City will continue to enforce the City's preservation ordinance that requires proper notification prior to transfer of an at-risk development.

POLICY 6.2

Ensure that affordable housing is kept affordable.

Affordable housing units that are created by various City actions should be required to remain affordable for as long a period as is legally permissible and financially practicable. The necessity of such requirement is underscored by the magnitude of the potential loss of existing HUD-financed affordable rental units that had a 20-year period for continuance of below market rents. In the past, locally assisted units have been required to remain at affordable rental rates or sales prices for periods as short as ten years. As the experience with expiring HUD contracts indicates, expiration dates arrive all too soon and a problem thought to be solved becomes a problem again. Most recently, the City has imposed 50-year terms. If legally permissible and financially practicable, an even longer term should be required.

IMPLEMENTATION 6.2

- Affordable housing funded by MOH and SFRA will be required to maintain affordability as long as legally permissible and financially practicable. This requirement will continue to be enforced by Regulatory Agreements and other legally binding instruments.
- MOH and SFRA will continue to work with state and federal agencies to develop programs to assist HUD sponsored housing with expiring subsidies.
- The Department of Human Services (DHS) will continue to advocate for a dedicated renewal fund for expiring federal Shelter Plus Care rental subsidies, which provide affordable supportive housing for formerly homeless persons with disabilities.

POLICY 6.3

Safeguard tenants from excessive rent increases.

In recent years the demand for the limited housing supply has resulted in substantial rent increases. Sometimes this has caused displacement or economic hardship. The regulatory process that stabilizes rent levels and protects tenants from excessive rent increases and arbitrary eviction while at the same time allowing the landlord a fair rent and sufficient incentives to maintain housing quality should be maintained.

IMPLEMENTATION 6.3

- The Rent Control Board safeguards tenants from excessive rent increases under the Residential Rent Stabilization and Arbitration Ordinance.

POLICY 6.4

Achieve permanent affordability through non-profit and limited equity housing ownership and management.

The American dream of homeownership is beyond the reach of many San Francisco households. First-time homebuyer programs sponsored by the City and private lending institutions should be encouraged and broadened to include second mortgage loan pools or other appropriate mechanisms to help buyers meet down-payment requirements. To stem speculation, such housing programs should include affordability restrictions. Conversion of buildings by their tenants to limited equity cooperatives and condominiums can stabilize prices and, as general home sales prices increase over time, can lower housing costs. The City should encourage these forms of ownership.

IMPLEMENTATION 6.4

- The Mayor's Office of Housing offers and will seek to expand existing programs for downpayment assistance for first-time homeowners.
- The City will investigate the feasibility of community land trusts and other alternative ownership models.

- The City will ensure all publicly supported affordable rental housing projects remain permanently affordable through the use of grant or financing restrictions that regulate rents and tenant incomes.
- The City will continue to work to ensure that publicly funded homeownership projects remain affordable through deed and lease restrictions, and where practical, limit equity return so that homeownership remains affordable.

POLICY 6.5

Monitor and enforce the affordability of units provided as a condition of approval of housing projects.

Over the years, the city has in certain instances required the provision of affordable housing units as a condition of approval of a project. Monitoring and enforcement are needed to ensure the continued availability of these units. Stiff penalties for non-compliance should be created to provide strong economic disincentives against loss of required affordable housing units.

IMPLEMENTATION 6.5

- The Mayor's Office of Housing and the City Attorney's Office will continue to monitor compliance with affordability and occupancy restrictions.
- The Mayor's Office of Housing will work to establish an adequate fee system to financially support the costs of a comprehensive affordable housing monitoring program.

OBJECTIVE 7

EXPAND THE FINANCIAL RESOURCES AVAILABLE FOR PERMANENTLY AFFORDABLE HOUSING.

POLICY 7.1

Enhance existing revenue sources for permanently affordable housing.

Existing financial programs, including Federal and State low-income tax credits and various HUD programs should be maintained at maximum levels. Extensive lobbying efforts at State and Federal levels need to be carried out to protect the existing programs and create new ones. Joint metropolitan and statewide efforts to develop more creative revenue resources should be supported.

Incremental tax revenues in Redevelopment project areas can be used for affordable housing. The Redevelopment Agency has a policy of allocating at least 50% of its increment funds for low and moderate income housing construction or renovation.

IMPLEMENTATION 7.1

- The City supports efforts and advocate for the expansion of federal and state financing for affordable housing.
- The San Francisco Redevelopment Agency will continue to promote permanent affordable housing by approving the construction of housing in designated redevelopment areas and by providing financing for the development of affordable housing throughout the city.
- The Mayor's Office of Housing will continue to increase and preserve the stock of affordable rental and ownership housing units for the City's very low to moderate income population. The Mayor's Office of Housing will continue to monitor projects on an annual basis that receive affordable housing funds to insure on-going compliance.
- The Planning Department will periodically reassess the fee levels of the Jobs-Housing Linkage Program, whereby new office developments are obligated to assist in the production of housing, to determine their adequacy and appropriate adjustments should be made.

- DHS will continue to offer subsidized special needs housing through its Supportive Housing Program.

POLICY 7.2

Create new sources of revenue for permanently affordable housing, including dedicated long-term financing for housing programs.

New revenue sources are needed if the City is to make a significant dent in the need for affordable housing. A major source of new revenue to the City that could be allocated to affordable housing is the real estate transfer tax. Increasing the current tax rate and devoting much of the increased revenue to preservation of affordable housing (see Objective 5) and to new affordable housing development should be given high priority.

IMPLEMENTATION 7.2

- The City will investigate an increase in the real estate transfer tax.
- To the extent feasible, the City will continue to periodically issue affordable housing development bonds.
- The Mayor's Office of Community Development programs will continue to address non-housing emergency shelter needs and the Mayor's Office of Housing will continue to administer programs relating to housing needs.

POLICY 7.3

Develop greater investments in and support for affordable housing programs by corporations, churches, unions, foundations, and financial institutions.

Greater corporate investment in and support for affordable housing should be encouraged. Churches are an untapped source of funding and land, as are dozens of local foundations and trade unions. The City should seek to better coordinate these efforts.

IMPLEMENTATION 7.3

- The City will continue to work with local financial institutions and non-profits to provide credit opportunities to low- and moderate-income individuals and households.
- The City will continue to work with local financial institutions to meet their community reinvestment obligation under the Community Reinvestment Act.
- The Mayor's Office of Housing will continue to work to better coordinate local affordable housing efforts through the Consolidated Plan process.

HOUSING CHOICE

OBJECTIVE 8

ENSURE EQUAL ACCESS TO HOUSING OPPORTUNITIES.

Population diversity is one of San Francisco's most important assets. To retain this diversity, a variety of housing opportunities should be available. Households should be able to choose the form of tenure most suitable to their needs, from either a rental or an ownership housing stock. A variety of unit sizes is also important, so that both larger and smaller households can be accommodated in adequate numbers. Units of varied costs are necessary to provide opportunities for households of different income levels. Finally, there should be units with special features suitable for households with special needs.

Social and economic factors can discriminate against certain population groups and limit their housing opportunities, leading to patterns of economic and racial segregation. Families with children are constrained by the types and sizes of units available to them. Units suitable for

larger households tend to be limited by erosion of the older housing stock and discriminatory rental practices. Standard housing units with special features for elderly and handicapped persons are also in short supply. If San Francisco is to retain its economic, racial, and cultural diversity, opportunities should be expanded for population groups for whom affordability and accessibility are crucial.

POLICY 8.1

Encourage sufficient and suitable rental housing opportunities and emphasize permanently affordable units wherever possible.

Since approximately two-thirds of San Francisco's residents are renters, the availability of sound and affordable rental housing is of major importance, especially for the young and elderly populations and low and moderate income families who tend to rent their residence. Low vacancy rates and high rents are indicators of a continuing demand for rental housing. Also, the public sector should make a concerted effort to do what is within its control to encourage the development of permanently affordable rental housing.

IMPLEMENTATION 8.1

- The San Francisco Redevelopment Agency will continue to administer the Tax Increment Housing Program and the Housing Opportunities for People with AIDS Program (HOPWA).
- The City will continue to ensure all publicly supported affordable rental housing projects remain permanently affordable through the use of grant or financing restrictions that regulate rents and tenant incomes.
- The Mayor's Office of Housing will continue to implement the Supportive Rental Housing for Seniors Program.
- City Agencies and non-profits will continue to implement subsidy, development and land use programs that preserve existing rental housing and encourage the development of new rental housing, particularly permanently affordable rental housing.

POLICY 8.2

Employ uniform definitions of affordability that accurately reflect the demographics and housing needs of San Franciscans.

Median income figures are reported by the U.S. Department of Housing and Urban Development for the three county area comprised of San Francisco, Marin and San Mateo counties, referred to as the Primary Metropolitan Statistical Area (PMSA). Because average incomes are higher in Marin and San Mateo than they are in San Francisco, there is an upward bias to the numbers. For example, in 2000, the PMSA median family income was \$74,900. The 2000 Census, however showed that the median family income for the City and County of San Francisco was \$63,545 – about 85% of the area median income for the three county area covered by the PMSA.

	Maximum HUD Income	Goal for Average SF Incomes
Rental Programs		
Low Income	80% of AMI	60% of AMI
Very Low Income	50% of AMI	
Ownership Programs		
Moderate Income	120% of AMI	100% of AMI

In order to ensure that households at lower income levels are adequately served, the city's programming for affordable housing should target households at incomes lower than 85% of median. This has been done, for example, in rental projects in which the city is providing subsidy (land or financing or both) where the affordable rental units are required to be equal to or less than 60% of the PSMA median.

IMPLEMENTATION 8.2

- The Mayor's Office of Housing administers the annual affordability standards established by HUD to the various city agencies. The Planning Department will work with the Mayor's Office of Housing and the various City agencies to periodically review these standards for adequacy.

- The City will work to adopt income limits for affordable housing programs that target assistance to households who are low income by San Francisco standards, as well as meet the HUD area median requirements.

POLICY 8.3

Ensure affirmative marketing of affordable housing.

The enforcement of Fair Housing Access laws must be supported to prevent discrimination against people of color, populations with special needs, low-income residents, immigrants, and non-traditional households. Periodic reporting on the composition of resident populations in various publicly supported housing projects and affordable units required as a condition of permit approval should be required to facilitate compliance monitoring. Counseling and education to maintain housing rights should be promoted.

The State and Federal Housing requirements regarding displacement prohibitions, and other restrictions where affordable housing rehabilitation or construction might impact the community should be adopted as City policy. Available affordable housing should be advertised in multi-lingual media to ensure fair marketing practice. Sufficient evidence should be required from applicants to prevent affordable housing units from being occupied by unqualified parties. The City should monitor and strictly enforce these requirements. Community forums including the Human Rights Commission should be provided in order to diffuse unwarranted opposition to affordable housing.

IMPLEMENTATION 8.3

- The City's Human Rights Commission will continue to support and monitor the Fair Housing Access laws and report to the Mayor and the Board of Supervisors with findings and policy recommendations on issues of accessibility and discriminatory barriers. The HRC protects persons from housing discrimination on the basis of medical disability, sexual orientation, family status, race, religion, or national origin.

- The City's Human Rights Commission will continue to assist in resolving problems with Single Resident Occupancy hotel management and advocate for disenfranchised groups.
- The City's Human Rights Commission will continue to monitor fair housing practices at housing projects that receive public assistance.
- The City will continue to require periodic reporting on the composition of resident populations in publicly supported housing projects and affordable units.
- The City will continue to support counseling and educational programs on housing rights for renters.
- Available affordable housing will be advertised in multilingual media.

POLICY 8.4

Encourage greater economic integration within housing projects and throughout San Francisco.

Patterns of economic segregation are evident in San Francisco. Although housing opportunities for low- and moderate-income households are available in many areas of the city, these tend to be concentrated in a few areas. Special efforts should be made to expand housing opportunities for households of lower-income levels in other areas of the city.

The affordability of housing is a citywide problem. All neighborhoods of the city should be expected to accept their fair share of affordable housing. This can be affected through inclusionary affordable housing policies and the promotion of secondary units.

Private reinvestment in many areas of the city, in a process of economic gentrification, can result in the displacement of low- and moderate-income households by higher income groups. Special efforts should be made to maintain the economic diversity of these areas.

IMPLEMENTATION 8.4

- The Planning Department's Inclusionary Affordable Housing Policy requires all residential developments of 10 units or more to provide inclusionary housing units for both residential and live/work developments projects, or to pay the required in-lieu fee.
- The City will encourage economic integration by locating new assisted housing opportunities outside existing areas of concentration of low-income households and promoting new market rate housing in or near such impacted areas.

POLICY 8.5

Prevent housing discrimination.

To ensure housing opportunities for all people, the City should assist in the implementation of fair housing and anti-discrimination laws. The Human Rights Commission enforces the City's Fair Housing Law and handles complaints of housing discrimination. Residential apartment owners should also be prohibited from using arbitrary income requirements that unnecessarily exclude lower income families.

IMPLEMENTATION 8.5

- The Human Rights Commission (HRC) will continue to support and monitor the U.S. Department of Housing and Urban Development's Fair Housing Access Laws. HRC will also continue to report to the Mayor and the Board of Supervisors with findings and policy recommendations on issues of accessibility and discriminatory barriers.
- The San Francisco Redevelopment Agency and the Mayor's Office of Housing will continue to monitor leasing and sales of assisted housing developments to insure compliance with affirmative marketing goals and income and rent restrictions.
- SFRA and MOH will continue to monitor all projects for ongoing continued compliance with income and rent restrictions.

- The City will continue to provide funding to encourage equal access to housing for people with HIV/AIDS
- The Planning Department reviews proposed housing projects and will advocate a mix of unit sizes and types to accommodate special users including senior citizens and physically disabled persons pursuant to Planning Code Section 209.1.
- City and County of San Francisco Ordinances will continue to provide fair housing protection.
- The San Francisco City and County Department of Human Services housing unit and the Human Resources Commission will continue to investigate and mediate complaints of housing discrimination.

POLICY 8.6

Increase the availability of units suitable for users with supportive housing needs.

The City should support efforts by potential sponsors to identify and develop sites for special users and work cooperatively with social service agencies and housing providers. The City should also seek to reduce institutional barriers to development of innovative forms of housing.

In addition to the disabled, other households with special needs have difficulty finding suitable housing in San Francisco. Many large families, especially those newly immigrated to the United States, are crowded into units designed for much smaller households. New housing construction, especially those including units to accommodate large families, should be encouraged. Many of the City's elderly citizens occupy housing that is not designed to meet their special needs.

Shelters and transitional housing facilities are not available in sufficient numbers to meet the needs of the city's homeless population. The psychologically disabled also need housing with additional support services.

The City should take an active role to encourage the expansion of the availability of housing units suited to needs of these groups including physical design features and ancillary social and medical service facilities. When units are constructed or rehabilitated to meet the needs of special user groups and have received City support or waivers, there should be monitoring to ensure that such units continue to be occupied by the intended group.

IMPLEMENTATION 8.7

- The City will continue to encourage and support the development of specialized housing types that meet the particular needs of various user groups. This housing will be especially encouraged in transit rich areas of the City, maximizing mobility and accessibility to services.
- To reduce institutional barriers to the development of innovative forms of housing, the City will continue to support efforts of potential sponsors to identify and develop sites for special users.
- The City will continue to promote cooperative effects between social service agencies and housing providers to develop special user housing.
- Units that are constructed or rehabilitated to meet the needs of special user groups and receive City support or waivers will be monitored to ensure that such units continue to be occupied by the intended group.

POLICY 8.8

Eliminate discrimination against households with children.

Households with children often have difficulty finding suitable housing because many landlords do not want children as tenants. The City should prohibit discrimination against children and encourage the construction of units suitable for families with children. In assisted housing, households with dependent children should have preference in rental or resale of multiple bedroom units. The City should continue enforcement of the 1987 ordinance prohibiting residential apartment owners from discriminating against families based on household size unless the Building Code does not permit occupancy of the dwelling by a family of that size.

IMPLEMENTATION 8.8

- San Francisco's Municipal Police Code under Article 1.2 prohibits housing discrimination against families with minor children. This law prohibits the most common

forms of discrimination, such as restrictive occupancy standards, rent surcharges and restrictive rules.

- Section 503(d) of the City's Housing Code promotes access to housing by families

POLICY 8.9

Promote the adaptability and maximum accessibility of residential dwellings for disabled and elderly occupants.

Disabled and elderly San Franciscans are less able to compete for scarce housing units, in part because they often have lower than average incomes. Most housing units are also not physically accessible. The City should take an active role in expanding the availability of units suited to households with special needs. Congregate housing with central eating facilities is an appropriate form of housing for some elderly households. In accordance with local policy and applicable law, new housing should be made accessible or adaptable to the disabled or elderly. "Accessible" means that the housing presents no physical barriers to handicapped or elderly people. "Adaptable" means housing whose entry and circulation are designed and constructed so that making relatively minor adjustments and additions rather than structural changes can make the unit fully accessible. Assisted housing currently requires that at least 10% of all new units are made fully accessible.

IMPLEMENTATION 8.9

- The City provides protective services to help keep seniors and disabled adults of all circumstances and income levels safe in their own homes rather than in nursing homes through the new Department of Aging and Adult Services.
- The Planning Department will continue to implement Planning Code Section 209, which allows a density bonus of twice the number of dwelling units otherwise permitted as a principal use in the district, when the housing is specifically designed for and occupied by senior citizens or physically disabled persons.

- The Department of Building Inspection enforces the standards of accessibility and adaptability for commercial facilities and new residential construction including motels, apartment buildings containing three or more dwelling units, homeless shelter and other specified building types. (Chapter 11A and 11B of the California Building Code).
- The Mayor's Office on Disability (MOD) will continue to ensure access for people with disabilities to City programs and facilities.
- The Mayor's Office of Housing will continue to review affordable housing development programs and projects to ensure that these projects provide not only the accessibility required by federal, state and local law, but also the greatest accessibility feasible.

POLICY 8.10

Encourage the provision of new home ownership opportunities through new construction so that increased owner occupancy does not diminish the supply of rental housing.

Since the demand for rental housing continues to significantly exceed supply and less than 8% of San Francisco residents can afford the median home cost, the development of new home ownership opportunities should rely primarily on new construction and not the conversion of rental housing to home ownership.

IMPLEMENTATION 8.10

- The Mayor's Office of Housing will continue to administer first time homebuyer programs, which includes the City Second Loans, the Condominium Conversion Program, and the Inclusionary Affordable Housing Program.
- The San Francisco Redevelopment Agency administers the Tax Increment Housing Program and the Housing Opportunities for People with AIDS program (HOPWA).
- Section 1302(c)2 of the San Francisco Subdivision Code promotes homeownership opportunities for existing tenants and prevents displacements by requiring a high degree

of tenant intent to purchase their rental units as a condition of approval of applications for residential conversion.

- The City will continue to encourage private investment firms and financial institutions to expand opportunities for home ownership by offering services that inform potential homebuyers of options for buying, selling, refinancing, or making home improvements.
- The City will continue to investigate the feasibility of community land trusts and other alternative ownership models.

POLICY 8.11

Ensure an equitable distribution of quality board and care centers, adult day care facilities, and single-room occupancy hotels throughout the City.

Older, larger buildings, and vacant commercial spaces, may be suitable for conversion to group housing. Because of the availability of certain types of residential buildings and services in certain parts of the City, board and care and adult day care facilities have tended to become concentrated in those areas. Applications for new facilities may continue to reinforce these concentrations unless they are carefully reviewed. It is desirable that group housing and board and care homes be distributed throughout the City so that people are offered a choice of locations and over-concentration of facilities in particular neighborhoods is avoided. However, the Federal fair housing laws prohibit limitations on board and care facilities and group homes to the extent that these limitations diminish housing opportunities for disabled persons and families with children. Adult day care facilities that allow disabled or elderly persons to live at home but receive daily support should be located close to their clients. In reviewing applications for board and care homes and adult day care facilities, the following factors should be among those evaluated:

- In the case of day care facilities, proximity to clients' residences
- Accessibility to recreational facilities and open space.
- Proximity to commercial areas and shopping.

- Proximity to community services.

IMPLEMENTATION 8.11

- The Planning Department will continue monitoring group housing to ensure a distribution of quality board and Care, Adult Day Care Facilities and single room occupancies.
- The Planning Department will explore the potential for expanding as-of-right group housing and group housing definitions in Sections 209.2 and 216 “Other Housing” in the neighborhood commercial district controls.
- The City will work to reauthorize the Single Room Occupancy Hotel Safety and Stabilization Task Force set to expire in 2003. This task force will continue to monitor, develop and present recommendations to San Francisco Mayor and Board of Supervisors regarding policies and procedures around fire prevention, investigations and prosecution of SRO violators, and stabilization of hotel tenants and residents.

OBJECTIVE 9

AVOID OR MITIGATE HARDSHIPS IMPOSED BY DISPLACEMENT

POLICY 9.1

Minimize the hardships of displacement by providing essential relocation services.

Because of the economic and social hardships involved when a household is forced to move, and the difficulty of funding replacement housing at comparable rents, every effort should be made to minimize displacement.

Private demolition of housing can cause particular hardships because of the absence of relocation assistance programs for displaced households. Property owners should provide assistance in finding suitable relocation housing if any lower-income households are to be displaced. Property owners should inform tenants at the earliest possible date of any proposed demolition plans and should arrange for counseling assistance for the displaced households. Owners should not be

permitted to demolish existing housing units until efforts have been made to assist tenants in obtaining relocation housing.

When displacement does occur as a result of public actions, uniform relocation services including counseling, locating replacement housing, and moving expenses, should be provided regardless of whether the displacement is caused by federal, state, or locally funded activities. In the case of privately funded developments where displacement occurs, the developer should be requested to provide such services.

IMPLEMENTATION 9.1

- When providing financial assistance for affordable housing development or rehabilitation, MOH and SFRA will continue to provide assistance required by the provisions of the federal Uniform Relocation Act (URA) or the California state relocation law.
- The City will continue to work for a minimum of one to one replacement of all housing lost, regardless of cause.

POLICY 9.2

Offer displaced households the right of first refusal to occupy replacement housing units that are comparable in size, location, cost, and rent control protection.

Persons in private or publicly owned housing displaced by fire and other acts should be restored to their previous residential position to the maximum extent feasible. Where existing units are converted to condominium or cooperative ownership, existing tenants should be given opportunities to purchase converted units.

IMPLEMENTATION 9.2

- The Mayor's Office of Housing and the San Francisco Redevelopment Agency will continue to provide tenants displaced during rehabilitation with the right to return to the unit or a comparable unit after the work is completed.

- MOH will work to manage and maintain the stock of units made affordable under the Condominium Conversion Program.

HOMELESSNESS

OBJECTIVE 10

REDUCE HOMELESSNESS AND THE RISK OF HOMELESSNESS IN COORDINATION WITH RELEVANT AGENCIES AND SERVICE PROVIDERS.

Homelessness has grown to a scale unprecedented in the United States since the 1930s. The legacy of the 1980s that has regarded temporary shelter as an adequate response to homelessness should be overcome. Shelters are not an acceptable alternative to decent, affordable housing. While the City should not relax its commitment to offering shelter to anyone who would otherwise be forced to live in streets, parks and doorways, the vision and the overall direction should remain fixed on the goal of creating and preserving low-cost housing, jobs and job training programs, and the necessary health and social support services that enable people to live with the greatest degree of independence possible. Such services for the homeless should be provided in a multilingual and multicultural context where needed. It is critical that San Francisco and other cities begin to develop a regional approach to homelessness in the Bay Area. Increased state and federal support is needed for regional efforts to succeed.

POLICY 10.1

Focus efforts on the provision of permanent affordable and service-enriched housing to reduce the need for temporary homeless shelters.

For a permanent solution to homelessness we must develop permanent housing. Although shelters can provide an alternative to sleeping on the streets, they do little to address the underlying problem. The development of new housing connected to services will best address this need.

IMPLEMENTATION 10.1

- City agencies including the Mayor's Office of Housing, the Department of Human Services, the Department of Public Health and the San Francisco Redevelopment Agency will prioritize the development of permanent supportive housing.
- The Department of Human Services and the Department of Health will continue to partner with capital funding agencies to develop supportive housing.
- Existing low cost housing will be preserved wherever possible.
- The Residential Hotel Unit Conversion and Demolition Ordinance will continue to benefit the public by minimizing the loss of residential hotel units through conversion and demolition.
- The Department of Human Services (DHS) will continue to administer the Shelter Plus Care program, which provides rental subsidies to homeless individuals and families with disabilities so that they may access and maintain permanent supportive housing. The capacity of this program should be expanded.
- DHS will continue to fund non-profit agencies to provide on-site supportive services for formerly homeless individuals and families living in supportive housing. DHS will coordinate development of these programs with the Mayor's Office of Housing and the San Francisco Redevelopment Agency, which provide funding for construction and rehabilitation of affordable housing, including supportive housing. Additional programs will be developed as funding availability allows.
- DHS will continue to operate its Master Lease Program in order to provide low-cost, safe, permanent housing to homeless individuals leaving emergency shelters. The capacity of this program should be expanded.

POLICY 10.2

Aggressively pursue other strategies to prevent homelessness and the risk of homelessness by addressing its contributory factors.

Measures that go beyond shelter are needed to address the root causes of homelessness. These include stable sources of income and health and social support services for short or long periods of time to assist people with special needs to live with the greatest degree of independence possible.

IMPLEMENTATION 10.2

- MOH will continue to integrate job training and other programs that support low- and moderate-income families into its affordable housing development.
- DHS's Eviction Prevention and Rental Assistance program will continue to work cooperatively with nonprofits to help low- and very low-income individuals and families at risk of homelessness to maintain their housing by paying past due rent to avoid eviction, and offering legal services, counseling, and other supportive services. The Rental Assistance Fund helps very low-income San Franciscans in a housing crisis. Eligible individuals and families can apply for grants to pay overdue rent to prevent eviction, or apply for a security deposit to move into permanent housing.
- DHS will continue to fund non-profit contractors to provide after-care services for homeless families once they are housed to help them maintain housing, become stable and prevent recurring episodes of homelessness.

POLICY 10.3

Improve coordination among emergency assistance efforts, existing shelter programs, and health care outreach services.

While the emphasis should be on provision of permanent housing, the City should provide an emergency shelter program that provides temporary shelter and links homeless people to more comprehensive services.

Homeless people often have difficulty gaining access to the health care system, whether it is because the multiplicity of problems they experience overwhelms health care providers, their

behavior or appearance makes them unwelcome, or they themselves regard health care as low on the survival priority list. There is need for outreach services and multi-service centers that provide health care and other services to the homeless, in a manner that gains their trust and with a goal of integrating them into the larger health care and services systems.

IMPLEMENTATION 10.3

- The City will work to combine drop-in centers with multi-service programs, addressing a multiplicity of needs in one location. The City will work to develop an intake facility that geographically targets areas with the highest concentrations of homeless people. The City will continue to develop resource centers to provide information and survival needs for the homeless.
- The City will continue to operate its Homeless Services Team, which conducts outreach to homeless persons living on the street with the goal of assisting the most difficult-to-reach homeless persons to access available appropriate services, benefits, health care and housing. DHS will work to coordinate its street outreach efforts with other such outreach programs operated by the Department of Public Health.
- The City will develop and implement a Homeless Management Information System (HMIS) leading to improved coordination of services.
- The Department of Human Services Division of Housing & Homeless Programs will continue to fund a wide range of services that are part of a comprehensive, interagency, city-wide approach to help homeless individuals and families achieve the highest level of self-sufficiency of which they are capable.
- DHS will continue to operate their program Connecting Point as a centralized intake and service referral system for families.
- DHS will continue its Special Circumstances Fund that provides emergency payments for people on SSI, SSIP, CAPI or in the IHSS program who have been victims of a catastrophe (such as flood, fire or earthquake or similar disaster), or whose living situation becomes unsafe or unhealthy. These one-time funds may be used to replace or repair essential furniture, equipment and clothing; make housing repairs if necessary for

health and safety; pay moving expenses because of eviction, or if housing is unsafe; make housing modifications to accommodate disabilities; or to prevent foreclosure.

POLICY 10.4

Facilitate childcare and educational opportunities for homeless families and children.

Homeless families, just like other families, require a broad variety of childcare programs to meet their particular needs. For some, the need is for developmentally appropriate, well-equipped spaces that offer privacy, enabling families an opportunity to interact and play with their children. For other parents, who may need time to participate in job training, or to look for work or run errands, the need is for convenient drop-in childcare program. In other instances, the need may be for licensed childcare programs that serve the special needs of these children.

IMPLEMENTATION 10.4

- DHS will continue to implement the California Work Opportunity and Responsibility to Kids (CalWORKs) program to serve adults with dependent children where participants receive financial support and a full array of services for 18–24 months as they work with an Employment Specialist to follow an individualized Employment Plan.

HOUSING DENSITY, DESIGN, AND QUALITY OF LIFE

OBJECTIVE 11

IN INCREASING THE SUPPLY OF HOUSING, PURSUE PLACE MAKING AND NEIGHBORHOOD BUILDING PRINCIPLES AND PRACTICES TO CONTINUE SAN FRANCISCO'S DESIRABLE URBAN FABRIC AND ENHANCE LIVABILITY IN ALL NEIGHBORHOODS.

Housing quality involves not only the physical condition of the housing structure itself but also the condition of the surrounding neighborhood and the adequacy of its amenities, facilities, and

services. Quality urban housing can exist only in full service neighborhoods. New housing development must address these issues.

POLICY 11.1

Use new housing development as a means to enhance neighborhood vitality and diversity.

New infill housing development should be compact, mixed-use, mixed income, and have a mix of unit sizes. Major multi-family housing projects that accommodate non-residential uses such as neighborhood serving retail, childcare or after school facilities, or even institutional uses such as a public library, should be encouraged and supported. Minimum density requirements and maximum parking standards, especially in areas well served by transit or neighborhood retail, should be used to encourage a mix of unit sizes.

IMPLEMENTATION 11.1

- The updated Land Use Element will identify infill sites appropriate for mixed-use residential projects. These sites should have minimum density requirements if located in transit rich districts. Appropriate neighborhood serving retail, public facilities and supportive amenities should be encouraged.
- The City will continue to implement its policy that the design of all housing sites and related amenities make a positive contribution to surrounding public space and to overall neighborhood vitality.
- The Planning Department will encourage historic preservation and adaptive reuse of older buildings to enhance neighborhood vibrancy.

POLICY 11.2

Ensure housing is provided with adequate public improvements, services, and amenities.

Many factors add to neighborhood livability, including the quality of schools, the availability of quality childcare at affordable prices, the effectiveness of police and fire services, and access to open space and recreational opportunities. The large number of single parent and two working

parent households makes the provision of childcare facilities an important component of family housing developments. Regular maintenance of streets and sidewalks, provision of street trees, and protection of residential areas from excessive traffic, are also important to neighborhood life. To provide its residents with a quality living environment, the City should address all of these factors.

IMPLEMENTATION 11.2

- All City of San Francisco Departments and agencies will continue to contribute to the strengthening of neighborhood livability by providing and improving public amenities and services.
- Each City department will continue to seek funding from Federal, State, local and private sources in order to improve services.

POLICY 11.3

Encourage appropriate neighborhood-serving commercial activities in residential areas, without causing affordable housing displacement.

Certain nonresidential uses are desirable and appropriate in residential areas. For example, small pedestrian-oriented grocery stores and other convenience shops can meet frequent and recurring needs of residents without disrupting the residential character of the area. On the other hand, other non-residential uses are noisy, unattractive, or generate excessive traffic and therefore would be undesirable in residential areas.

Commercial uses should be allowed in residential areas only if they meet the following criteria:

- The use is primarily pedestrian-oriented.
- The use serves the needs of the immediate residential neighborhood and does not draw significant trade from outside the neighborhood.
- The use does not displace a unit suitable for residential occupancy.

- The use does not disrupt or detract from the livability of the surrounding neighborhood.
- Suitable locations in immediately adjacent neighborhood commercial areas do not exist.
- The design of the building is in keeping with the established residential character of the area, and all signs are carefully regulated.
- Truck traffic servicing the use is minimized, and truck delivery hours are restricted.

Community services such as childcare centers are also particularly appropriate in residential areas, even though they may draw from a larger area and may not be primarily pedestrian-oriented. Non-residential uses, if essential to the preservation of a landmark building, could also be permitted if the specific use is compatible with the surrounding environment.

IMPLEMENTATION 11.3

- The Planning Department is studying the construction methods and design components of well-designed neighborhood serving commercial areas. This will result in revised Design Guidelines to further enhance these areas. Areas of particular interest will be: appropriateness of business type; building materials and design; public amenities; open space and public art; street, sidewalk and public transportation connections and circulation patterns; neighborhood safety; environmental considerations; and site design.
- Each project will be considered on its own merit and on its ability to make a positive contribution to the neighborhood and the City.

POLICY 11.4

Avoid or minimize disruption caused by expansion of institutions, large-scale uses and auto-oriented development into residential areas.

The expansion needs of institutions often conflict with efforts to preserve and protect the scale and character of residential neighborhoods. Large educational, religious, and medical

institutions attract people from outside a neighborhood, aggravating traffic and parking problems. Institutional buildings also tend to be larger in scale and more intensely used than surrounding residential buildings. In addition, institutional expansion often requires removal of housing and displacement of residents.

To minimize the disruption caused by expansion of large institutions, the City should carefully review expansion plans. The needs of adjacent residential areas for housing, on-street parking and safe, quiet streets should be considered, in addition to the needs of the institution.

Educational and medical institutions should be required to develop and submit master plans to the City, before the City reviews any specific expansion requests. Such a master plan should define long-term and short-range development plans of the institution. Early review of institutional development plans will permit exploration of alternate ways to address the needs of the institution in order to minimize potential conflicts with the residential area.

IMPLEMENTATION 11.4

- The City will continue to require large educational and medical institutions to develop and submit Institutional Master Plans as required by Section 304.5 of the Planning Code.
- The City will work to require institutions to provide housing for workers and students.
- Neighborhood impact will be reduced by building at the appropriate scale, addressing traffic and transportation impacts, and by carefully considering neighborhood design patterns.

POLICY 11.5

Promote the construction of well-designed housing that enhances existing neighborhood character.

Residents of San Francisco should be able to live in well-designed housing suited to their specific needs. To ensure that housing provides quality living environments and complements

the character of the surrounding neighborhood, the following general design and amenity guidelines should be applied in evaluating new residential developments and alteration of existing buildings:

Exterior Appearance

Design new and substantially altered buildings in a manner that conserves and protects neighborhood character (See Residential Design Guidelines, Department of City Planning, 1989 for more specific guidelines and illustrations.)

Recreation/Open Space

Provide adequate on-site usable open space and relate the type, amount and location of open space to the types of households expected to occupy the building. (See Figure 9, "Residential Open Space Guidelines" in the Recreation and Open Space Element, for more specific guidelines.)

Facilities

In larger projects include needed amenities such as storage, laundry, community rooms, and recycling, and adopt green building practices to the maximum extent possible.

Security

Incorporate concepts of security in the design of the building, especially in the number of units per entrance, sense of personal space and ability of the residents to effect self-policing of the grounds and immediate surroundings. Also, provide adequately lit unit address numbers that are easily read from the street or walkways.

Art Work

Incorporate artwork in larger buildings

Subdivisions and Planned Unit Developments

For larger subdivisions and planned unit developments, provide a lot layout and pattern that integrates well with the surrounding urban fabric and create a street pattern that ties into the surrounding.

IMPLEMENTATION 11.5

- The Planning Department will continue to study the construction methods and design components of well-designed housing that enhances the existing urban fabric of San Francisco.
- The Planning Department will continue to use the Residential Design Guidelines when reviewing projects.
- Each project will be considered on its own merit and on its ability to make a positive contribution to the immediate neighborhood and the City.

POLICY 11.6

Employ flexible land use controls in residential areas that can regulate inappropriately sized development in new and existing neighborhoods, while maximizing the opportunity for housing near transit.

Increased allowable densities should not detract from established neighborhood characteristics. In many cases, design and efficient site uses can make use of maximum housing densities while keeping resulting units affordable and compatible with neighboring structures.

IMPLEMENTATION 11.6

- The City will continue to promote increased residential densities in areas well served by transit and neighborhood compatible development.

POLICY 11.7

Reduce or remove minimum parking requirements for housing projects in areas near transit and commercial districts, increasing the amount of lot area available for housing units.

San Francisco first imposed residential parking requirements in the 1960s, when prevailing notions assumed that cars were becoming the primary way of getting around and automobile parking should be provided accordingly. This 1:1 parking requirement generated traffic and took up valuable space. One parking space reduces the amount of housing a parcel can accommodate by as much as 25%. Building parking space also adds \$20,000 to \$50,000 to the cost of housing construction.

Enforcing one off-street parking space for each new dwelling unit is essentially a suburban practice and diverges from the City's tradition of compact, urban, walkable places. Much of San Francisco was built before the advent of the automobile and most places are easily accessible by foot or public transit. Reducing or removing minimum parking requirements for housing projects in areas near transit can result in more affordable housing.

IMPLEMENTATION 11.7

- The Planning Department will work to reduce parking in neighborhoods well served by public transportation.

POLICY 11.8

Employ design and density controls that assert the prominence of corner lots in neighborhoods and realize their increased housing potential.

Corner buildings define the character of a block and set the neighborhood context more than any other building along the block face. Taller and more complex buildings on corner lots serve as informal gateways to the neighborhood. In most neighborhood commercial districts, corner buildings can take advantage of higher height limits without crowding adjacent buildings or even the lower profiles of the surrounding residences. The added height can allow for more housing on the upper stories while maintaining comfortable connection and access to the streets. Six-story corner buildings in such neighborhood commercial districts as Upper Market, Hayes-Gough, Polk, and the Mission, can easily be accommodated without detracting from the neighborhood character. In some cases, upper floors should be setback to allow for open space.

Corner lots, with two street accesses, can also allow for more flexible and efficient site plans. Other opportunities for increasing housing in corner lots such as 100% lot coverage, reduced or waived parking requirements, and increased densities should be also explored.

IMPLEMENTATION 11.8

- The Planning Department will evaluate the feasibility of allowing additional height and lot coverage, and reducing parking and private open space requirements on selected corner lots and revise the Planning Code accordingly.

POLICY 11.9

Strongly encourage housing project sponsors to take full advantage of allowable building densities in their housing developments.

The Planning Department, with housing project sponsors, should explore and encourage project configurations that take full advantage of allowable building densities. In many cases, project sponsors may be reluctant to do this because of expected neighborhood opposition. Department support should go beyond technical assistance and include coordinated and timely neighborhood outreach and accelerated processing. The Department should strongly support projects that

creatively address residential parking and open space requirements, resulting in higher densities with a full range of unit sizes.

IMPLEMENTATION 11.10

- The Planning Department will explore reduced parking and private open space provisions and revise the Planning Code accordingly.
- The Planning Department will work with housing advocates to educate residents on the benefits of traditional urban neighborhood supporting housing densities.

POLICY 11.11

Set allowable densities and parking standards in residential areas at levels that promote the City's overall housing objectives while respecting neighborhood scale and character.

In setting allowable residential densities in established neighborhoods, consideration should be given to the prevailing building type in the surrounding area so that new development does not detract from existing character. Established architectural characteristics should be respected. In areas where an urban scale and character is yet not established, densities should be set at levels that support transit and neighborhood amenities that are enjoyed by the City's more established neighborhoods.

IMPLEMENTATION 11.11

- The City will continue to work to increase allowed housing densities and reduce parking requirements where this would result in more housing and vital, attractive transit served neighborhoods.
- The Planning Department will continue to employ Residential Design Guidelines and implement the General Plan to ensure higher density new projects are compatible with established neighborhoods.

- The updated Land Use Element will, within the framework of a comprehensive citywide action plan (CAP), identify areas where higher densities are appropriate.
- The updated Urban Design Element will reconcile the City's established and well formulated urban design principles with the City's housing objectives.

POLICY 11.12

Include energy efficient features in new residential development and encourage weatherization in existing housing to reduce overall housing costs and the long-range cost of maintenance.

Simple energy saving features such as site orientation and window placement can optimize passive solar heating and natural daylight at little or no additional cost. Often, features that add to the initial cost of a structure are highly cost-effective in terms of the life cycle or operating costs. For example, weatherization of existing housing can usually pay for itself in a short time, resulting in lower utility bills and housing costs. These approaches should be pursued.

IMPLEMENTATION 11.12

- The Department of Building Inspection, PGE, and the Building Science industry will continue environmental education programs for the general public, project sponsors, and builders.
- The Mayor's Office of Housing will continue to provide funding for the physical and financial preservation of non-profit owned affordable rental housing that requires energy efficiency improvements in order to protect its affordability.
- The Department of Building Inspection will continue to enforce Title 24 energy code requirements. In addition to Title 24, residential buildings will be also required to comply with the Residential Energy Conservation Ordinance (RECO). RECO affects all

residences at time of sale or at time of meter conversion, major improvement or condominium conversion.

REGIONAL AND STATE HOUSING NEEDS

OBJECTIVE 12

STRENGTHEN CITYWIDE AFFORDABLE HOUSING PROGRAMS THROUGH COORDINATED REGIONAL AND STATE EFFORTS.

Housing is a regional and state concern. Problems such as the inability of large numbers of people to afford decent housing, inequities and discrimination in the housing market, and the inadequacy of public resources cross the boundaries of local jurisdictions and cannot be addressed solely on a local level. Regionwide strategies are needed. Investment decisions made by the private sector are rarely confined to the limits of single governmental jurisdictions — broader housing market areas are considered. A strategy dealing with housing problems in the Bay Area must therefore involve a regional approach. Effective solutions to housing problems in the Bay Area can be developed only if all local jurisdictions' agencies and organizations dealing with housing in the Bay Area coordinate their activities.

Although San Francisco will always maintain an overall jobs/housing imbalance because it has historically developed as an employment center, the City must undertake efforts to balance future employment growth and the supply of housing. In particular, City agencies should coordinate strategies to meet the housing goals set forth by the Association of Bay Area Governments (ABAG) and adopted as part of this Element, as well as to address housing needs already present even without job growth. To meet these goals, San Francisco will have to absorb a greater percentage of new workers and increase the housing opportunities for workers currently commuting to the City.

POLICY 12.1

Generate a better understanding, by localities across the region, of the relationship between economic growth and increased housing needs.

San Francisco is part of the larger regional economy of the Bay Area and economic decisions made by one community often affect other communities in the region. Thus decisions made by some cities to limit commercial or residential growth impact other cities in the region. Efforts should be made to balance employment and housing growth within the region. Aggregated together, current local government development policies will not house the labor supply needed for jobs currently projected for the region. If these policies remain unchanged, housing must be provided outside the region. This would extend commutes, or regional job growth will be curtailed, or both.

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The Association of Bay Area Governments has established a regional goal to house within the region up to 50% of the difference between the projected growth in Bay Area jobs and the growth in the region's labor supply. To reduce the jobs-housing imbalance in the region by that amount by 2006, almost 231,000 additional housing units are needed within the region.

IMPLEMENTATION 12.1

- The City will continue to work with the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) to shape an implementation plan that meets regional housing, transportation, and job needs.
- The City will continue to support new state and federal funding for projects that coordinate the region's need for jobs and housing well served by the transportation system.
- The State should offer incentives in the form of a larger allocation of a regional property tax sharing pool in exchange for building mixed use affordable residential near transit hubs.

POLICY 12.2

Support the production of well-planned housing region wide that address regional housing needs and improve the overall quality of life in the Bay Area.

New residential development and rehabilitation of existing housing should be planned to conserve open space and to take advantage of the availability of employment opportunities, efficient transportation systems, and community services. San Francisco should take an active role in promoting quality new housing development in the Bay Area in areas where adverse impacts on the environment will not be generated and the use of public transit will be enhanced. The City should also play a greater role in ensuring local and regional growth management strategies are coordinated and complementary.

IMPLEMENTATION 12.2

- The San Francisco Redevelopment Agency (SFRA) will continue to serve as the lead agency and administrator of the HOPWA Program on behalf of the San Francisco Eligible Metropolitan Statistical Area (EMSA), which includes San Francisco, San Mateo and Marin Counties.
- The City will continue to support the production of well planned affordable and market rate housing, improve the jobs/housing balance, and improve public transportation options.
- The City will continue to support efforts to make the California Environmental Quality Act (CEQA) more supportive of transit oriented and mixed-use residential development.
- The City will continue to work with the Metropolitan Transportation Commission (MTC) to coordinate transportation information region wide.
- The City will continue to support efforts for rail line extension funding based on zoning that requires regional mixed-use development and jobs/housing balance criterion.

- The City will continue to support Jobs-Housing Balance Incentive Grants awarded to cities that produce housing in areas with fast growing employment and support additional bonuses awarded for multifamily housing, affordable housing, and infill development.
- The City will continue to support congestion pricing bridge tolls during peak commute periods with additional fund generation allocated for public transportation improvements.
- The City will continue to support efforts to develop and improve transit to large surplus public land and redevelopment areas such as Treasure Island, Alameda Naval Air Station or Mare Island in Vallejo, where high-density housing and new jobs and services could be built.
- The City will continue to support efforts to use state or regional funds to give housing subsidies or income tax credits to employees who live close to their workplaces similar to subsidies for police and firefighters in some cities.
- The City will continue to support the use of State or regional funds for transit passes or to increase transit-related income tax credits to encourage employees to commute to work via transit.
- The City will continue to support efforts to charge consumers the full cost of parking to promote transit use. Additional funds, generated by employee parking fees, could be used to improve public transportation and fund incentive programs for non-driving employees.
- The City will continue to support the Metropolitan Transportation Commission (MTC) Transportation for Livable Communities (TLC) program, which provides funding for planning and construction of projects that help create walkable, transit-oriented and livable communities.
- The City will continue to support the State Safe Routes to School Program, which promotes transportation improvements so that schoolchildren can safely walk and bike to school.

POLICY 12.3

Encourage jurisdictions throughout the Bay Area to recognize their share in the responsibility to confront the regional affordable housing crisis.

Local communities throughout the Bay Area should accept responsibility for housing families of all income levels. At the present time, most of the region's subsidized housing for low- and moderate-income households is concentrated in the central cities, including San Francisco.

Housing opportunities for low- and moderate-income households should be available throughout the region, and all localities in the Bay Area should provide their fair share of such housing. The public and the private sector should share responsibility.

State law allows joint exercise of powers between jurisdictions that enable entrepreneurial action at a larger-than-local scale. Cooperative efforts among localities, as well as joint efforts with state agencies, extend resources available for affordable housing.

IMPLEMENTATION 12.3

- The City will continue to support the following efforts: State and Federal funding allocations tied to individual communities commitment to provide their fair share of affordable housing production, particularly in transit rich areas; linking State funds to a community's fulfillment of their fair share of regional affordable housing needs; and reducing fiscal incentives to produce uses other than housing by regional sales and property tax sharing.
- To take advantage of a city's ability to use Joint Power and other collective and cooperative arrangements to make more effective use of financial resources for housing production, the City will encourage joint powers approaches to housing finance where joint powers agreements will enhance the production of affordable housing.

POLICY 12.4

Foster educational programs across the region that increase public understanding of the need for affordable housing and generate support for quality housing projects.

The City should help develop and conduct region wide public awareness programs to generate greater public support for affordable housing production. Workshop modules could also be crafted to explain regional land use patterns and its impacts on livability and help demystify urban densities.

IMPLEMENTATION 12.4

- The City will continue to support the efforts of non-profits like Non-Profit Housing Association, Urban Ecology, Greenbelt Alliance, and Architects, Designers, and Planners for Social Responsibility, as well as regional government organization such as Association of Bay Area Governments and Metropolitan Transportation Commission to conduct community workshops, and research and publish information that promotes understanding of relationships between economic growth and increased housing needs.
- The City will continue to support public awareness programs of professional associations such as the Urban Land Institute, American Planning Association, the American Institute of Architects, and the American Society of Landscape Architects, in their efforts to underscore the importance of linking jobs, housing and other uses by efficient transportation throughout the region.

POLICY 12.5

Support the State of California in developing and implementing state affordable housing plans and programs.

With the decreasing level of federal support for housing programs, the administrative and financial powers of the State become especially critical. A number of recent housing bond proposals have been enacted at a state level, but there also needs to be a long-range plan for affordable housing and a clearer articulation of the State's role in funding and facilitation of affordable housing programs.

IMPLEMENTATION 12.5

- The City will continue to support state and regional efforts to establish additional grant programs to aid in the preparation of plans and environmental documents for mixed-use residential and transit oriented projects responding to regional needs.

Appendix A

EVALUATION OF THE 1990 RESIDENCE ELEMENT

The 1990 Residence Element objectives and policies underscored two housing priorities: that “the City’s supply of affordable housing be preserved and enhanced” and that “existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.” A review and evaluation of these objectives and policies is essential to an effective housing element update. The accounting of housing needs met, an examination of the appropriateness of the previous element’s goals, objectives and policies given the housing needs, and an assessment of housing programs initiated during the last period, will serve to strengthen the revised housing element and help meet the City’s housing challenge.

In 1990, ABAG projected that in five years, San Francisco’s households will have grown by 6,900 and that 38,000 new jobs will have been created. By 2000, San Francisco was also anticipated to have increased by an additional 7,000 households and another 25,900 new jobs. Based on these forecasts, the City’s fair share of the regional housing need for 1988-1995 was set at 23,328 units. Of this target, 24% were allocated to be affordable to very low-income households, 16% to low income households, and 20% for moderate-income households. The remainder would be met by market rate housing production.

The recession of the early 1990s, followed by the vigorous economic growth in the mid- to late-1990s called for revisions of these forecasts as shown in the table below. The picture painted by the 2000 Census showed over 776,700 San Franciscans and 329,700 households. The EDD also counted about 608,300 jobs by the end of the third quarter of 2000. Over half of these jobs are estimated to be held by San Francisco residents.

Between Census counts, San Francisco grew by almost 52,800 people and over 24,100 additional households. The 2000 Census also showed some 18,000 new housing units being added into the housing stock.

TABLE A-1
Housing Production 1989-1998

	1990 Census	ABAG Projections 1990		ABAG Projections 1994		ABAG Projections 2000		2000 Census
		1995	2000	1995	2000	1995	2000	
Population	723,959	746,600	767,800	768,300	784,400	751,700	799,000	776,733
Households	305,564	321,300	328,300	313,500	323,400	309,600	315,600	329,700
Jobs	579,180	616,900	642,800	565,500	595,370	559,300	628,900	608,300*

*EDD, 3rd Qtr, 2000

Meeting the demand for housing accompanying the previous decade's population and job growth, along with San Franciscans' need for adequate and affordable housing, frame the next decade's housing challenge. A look at the previous decade's production only underscores the daunting task the City faces.

TABLE A-2
Achievement of Affordable Housing Production, 1988 - 1998

ACHIEVEMENT OF AFFORDABLE HOUSING PRODUCTION, 1988 - 1998					
Income Category	HCD Fair Share Housing Production Targets	% of Production Target	Actual Production, 1988 - 1998	% of Actual Production	Percentage of HCD Target Met
Very Low (50% of AMI)	5,599	24.0%	2,202	15.5%	39.3%
Low (80% of AMI)	3,732	16.0%	1,515	10.7%	40.6%
Moderate (120% of AMI)	4,666	20.0%	557	3.9%	11.9%
Market Rate	9,331	40.0%	9,893	69.8%	106.0%
TOTAL	23,328	100.0%	14,167	100.0%	60.7%

As the table above shows, only 61% of the City's total housing production target was met. While the market rate housing need was met in the ten-year period, just about 40% of both very low- and low-income housing production goals needs were reached. The greatest deficiency laid in the provision of moderate income housing, as less than 12% of need was met. Although the

market rate units built may have provided for some of the moderate income housing need, the 557 cited above include only those units specifically constructed for moderate-income households. If the City's housing production averages remain unchanged, San Francisco will see a shortfall of over 1,500 new housing units a year (see Table B-4).

Rehabilitation of affordable housing units, especially the seismic retrofitting and renovation of previously vacant or uninhabitable units can boost the numbers of housing affordable to very low and low income households. In the reporting period (1989-1998), the SFRA and the Mayor's Office on Housing, with other other housing agencies, also funded projects resulting in the rehabilitation of hundreds of low-income housing units.

More than the poor performance in the production of very low- and low-income housing, the deficit of about 4,000 units affordable to moderate income households has been seen as critical in catapulting the City's housing problem into a crisis of affordability. As the table below shows, housing construction in the last two years is pointing to an exacerbation not just of affordability but also of a major housing construction deficit.

TABLE A-3
Housing Production Gap

Income Level	ABAG Housing Needs Determination, 1999 - June 2006	Actual Production, 1999 - 2000	Production Need, 2001 - June 2006	Annual Production Need 2001 - June 2006
Very Low	5,244	203	5,041	917
Low	2,126	75	2,051	373
Moderate	5,639	94	5,545	1,008
Above Moderate	7,363	2,515	4,848	881
TOTALS	20,372	2,887	17,485	3,179

EVALUATION OF OBJECTIVES AND POLICIES:

The 1990 Residence Element included seven new objectives, five specifically focusing on the identified need for affordable housing. A separate objective addressed homelessness while another addressed the need for seismic safety.

Significant contributions to the provision and retention of affordable housing brought about by the 1990 Residence Element's Implementation Programs are listed below.

1. Objective 8 called for the expansion of financial resources for permanently affordable housing. In 1996, the Office-Affordable Housing Production Program (OAHPP) was revisited and the program's parameters updated and expanded. This program required project sponsors to directly provide housing or to contribute land or in-lieu fees to a housing developer as a condition of approval of large-scale office development. The mid-1990s economic slump at the onset of the revised program, however, translated into a trickle of housing development funds.

Ten development projects, totalling 743 housing units, received funds from the OAHPP between 1990 and 1998. The boom of the late-1990s has brought in additional funds. However, higher land and construction costs may limit the number of housing units that could be funded and built.

In February 2001, this program was renamed Jobs-Housing Linkage Program to reflect the expanded resource and formulas. In addition to large-scale office development, sponsors of projects containing entertainment space, hotel, research and development facilities, and retail space are required to share the burden of housing provision.

2. Retention of existing housing units, especially affordable housing, was encouraged with the adoption of Residential Conversion and Demolition Guidelines in April 1995. These guidelines established a set of standardized criteria used to determine approval or disapproval of projects involving the demolition of a dwelling unit or its conversion to a non-residential use.

The stock of affordable residential hotel units, regulated by the Residential Hotel Conversion Ordinance, has diminished in the last few years largely due to fires. However, non-profit ownership and management of residential hotels has increased in the last decade, ensuring long-term affordability (Table I-24).

3. The Inclusionary Affordable Housing Policy, adopted in 1992, required the inclusion of affordable housing as a condition of approval for planned unit developments or housing projects of ten units or more and seeking conditional use approval. The early to mid-1990 economic slowdown reduced the number of housing development projects, while the following boom resulted in the predominance of live/work production, a type of housing development not subject to inclusionary affordable housing requirements. As a result, only 128 affordable units were produced from 1992 through 2000. In late January 2002, the inclusionary housing program was expanded and modified.

Proposed changes to the Housing Element include the reorganization and refinement of current policies to put greater emphasis on appropriate location, supporting infrastructure and amenities. Importance is also given to housing size and housing mix.

Appendix B

QUANTIFIED GOALS

As stated in Part I: Data Needs and Analysis, the state Department of Housing and Community Development, with the Association of Bay Area Governments determined San Francisco's "fair share" of the regional housing need for the period covering January 1999 through June 2006 at 20,372 units. Even with very aggressive policies and programs, given that San Francisco is a mature, built-up city with very little open land and the previous years' housing production record, this "fair share" is likely to be not achievable. Table B-1 below shows that just over 31% of the state mandated annual targets for the period covered by the 1990 Housing Element was achieved.

TABLE B-1
Annual Production Targets and Average Annual Housing Production, 1989-1998

Affordability Categories	Housing Goals 1990-July 1995	Annual Targets	Annual Average 1989-1998*	% Annual Target Achieved
Very Low Income (below 50% AMI)	5,392	980	200	20.4%
Low Income (50% - 79% AMI)	3,595	654	138	21.1%
Moderate Income (80% - 120% AMI)	4,493	817	51	6.2%
Market Rate (over 120% AMI)	8,987	1,634	899	55.0%
Annual Production Target, 1989 - June 1995	22,467	4,085	1,288	31.5%

*ABAG Reporting Period

Stable government support in the last few years covered almost all of the affordable housing production, with less than 5% produced through inclusionary housing measures. Public subsidies tend to fund very low and low-income housing, with very limited grants allocated for moderate-income homebuyers. The recently revised and expanded inclusionary affordable housing requirement is expected to improve the provision of new housing for households earning moderate incomes.

TABLE B-2
Federal, State and Local Funding for Programs, 2002-2003

Funding Program	Funding Sources	Total Allocation	Set-Aside for Existing Projects	Set-Aside for Pipeline Projects	Available for New Projects
Supportive Housing	CDBG, HOME, HOPWA	\$ 6,557,350	\$ -	\$ 4,457,350	\$ 2,100,000
Family Rental Housing	Affordable Housing Fund, Affordable Housing Bond funds	\$ 16,150,000	\$ -	\$ 6,150,000	\$ 10,000,000
Senior Housing	Hotel Tax, Mission Bay and Affordable Housing Bond funds	\$ 12,481,883	\$ -	\$ 8,246,589	\$ 4,235,294
Low-Income Single Family & Senior Homeowner Rehabilitation	CDBG, CERF	\$ 2,600,000	\$ -	\$ -	\$ 2,600,000
Public Housing Preservation		\$ 1,600,000	\$ 1,600,000	\$ -	\$ -
Non-Profit Owned Housing Preservation	CDBG, HOME	\$ 2,927,110	\$ -	\$ 324,600	\$ 2,602,510
Homeownership	Tax Increment funds	\$ 6,264,706	\$ -	\$ -	\$ 6,264,706
Housing Opportunities	CDBG, HOME, Tax Increment funds	\$ 22,817,273	\$ 2,000,000	\$ 500,000	\$ 20,317,273
TOTALS		\$ 71,398,322	\$ 3,600,000	\$ 19,678,539	\$ 48,119,783

Source: 2002-2003 Action Plan, Mayor's Office of Community Development, Mayor's Office of Housing, San Francisco Redevelopment Agency

CDBG: Community Development Block Grant

HOME: Home Investment Partnership Program

HOPWA: Housing Opportunities for Persons with AIDS

CERF: Code Enforcement Rehabilitation Fund

TABLE B-3
Estimated Number of Government-Subsidized Affordable Housing Units, 2002-2003

New Construction		
Permanent Supportive Housing		10
Family Housing		112
Senior Housing		128
Homeless Housing		6
First-Time Homebuyers		144
Sub-total		400
Rehabilitation and Other Assistance		
Single-Family Rehabilitation		60
Homeownership Assistance		110
Housing Opportunities		320
Sub-total		490
TOTAL		890

Table B-2 above lists the various local, state and federal funding available for affordable housing production for fiscal year 2002-2003. Allocation of the monies shows that about 400 new units – approximately the previous years’ average of 390 new affordable units – will be constructed (Table B-3). About 490 units will be rehabilitated or provided with other housing assistance in this time period.

Tables I-37-38 (Part I: Data Needs and Analysis) indicated that there are more than enough in-fill housing opportunity sites to meet the projected housing needs. But as Table B-4 below shows, even with the availability of land, enormous amounts of financing would be necessary to bridge the gap between housing production targets and actual production that can be expected in the next five and a half years.

Table III-4
Estimate of Additional Production Costs Required to Meet Production Targets

Affordability	Annual Production Target, 2000 - June 2005	Estimate of Expected Annual Production*	Difference Between Annual Targets and Production	Amount Needed to Produce Difference**
Very Low Income (below 50% AMI)	741	201	541	\$ 127,109,586
Low Income (50% - 79% AMI)	285	138	147	\$ 34,592,578
Moderate Income (80% - 120% AMI)	798	51	748	\$ 175,712,029
Market Rate (over 120% AMI)	1,027	901	126	\$ 29,546,140
Annual Production Target, 2000-June 2005	2,852	1,290	1,562	\$ 366,960,333

*Based on previous years' average annual production

**Assumes \$235,000 a unit

With the availability of future public subsidies impossible to predict at best, an optimistic assumption would anticipate funding that would sustain the last decade’s affordable housing production. Achieving the housing production and affordability targets set by HCD-ABAG is clearly very difficult. But setting the goals to be more “realistic” and “achievable” could only weaken efforts at seeking and obtaining resources necessary to meet the City’s urgent housing needs.

A practical solution would be to uphold these long-term targets and annually assessing priorities against the reality of available resources. The City, therefore, will take the production targets set by HCD-ABAG for its quantified housing production objectives. Each year, as resources are known to be, or reasonably expected to become available, shortfalls in achieving goals can be assessed, program targets shifted appropriately, and resources allocated efficiently and effectively.

Category	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039	2039-2040	2040-2041	2041-2042	2042-2043	2043-2044	2044-2045	2045-2046	2046-2047	2047-2048	2048-2049	2049-2050	2050-2051	2051-2052	2052-2053	2053-2054	2054-2055	2055-2056	2056-2057	2057-2058	2058-2059	2059-2060	2060-2061	2061-2062	2062-2063	2063-2064	2064-2065	2065-2066	2066-2067	2067-2068	2068-2069	2069-2070	2070-2071	2071-2072	2072-2073	2073-2074	2074-2075	2075-2076	2076-2077	2077-2078	2078-2079	2079-2080	2080-2081	2081-2082	2082-2083	2083-2084	2084-2085	2085-2086	2086-2087	2087-2088	2088-2089	2089-2090	2090-2091	2091-2092	2092-2093	2093-2094	2094-2095	2095-2096	2096-2097	2097-2098	2098-2099	2099-2100	2100-2101	2101-2102	2102-2103	2103-2104	2104-2105	2105-2106	2106-2107	2107-2108	2108-2109	2109-2110	2110-2111	2111-2112	2112-2113	2113-2114	2114-2115	2115-2116	2116-2117	2117-2118	2118-2119	2119-2120	2120-2121	2121-2122	2122-2123	2123-2124	2124-2125	2125-2126	2126-2127	2127-2128	2128-2129	2129-2130	2130-2131	2131-2132	2132-2133	2133-2134	2134-2135	2135-2136	2136-2137	2137-2138	2138-2139	2139-2140	2140-2141	2141-2142	2142-2143	2143-2144	2144-2145	2145-2146	2146-2147	2147-2148	2148-2149	2149-2150	2150-2151	2151-2152	2152-2153	2153-2154	2154-2155	2155-2156	2156-2157	2157-2158	2158-2159	2159-2160	2160-2161	2161-2162	2162-2163	2163-2164	2164-2165	2165-2166	2166-2167	2167-2168	2168-2169	2169-2170	2170-2171	2171-2172	2172-2173	2173-2174	2174-2175	2175-2176	2176-2177	2177-2178	2178-2179	2179-2180	2180-2181	2181-2182	2182-2183	2183-2184	2184-2185	2185-2186	2186-2187	2187-2188	2188-2189	2189-2190	2190-2191	2191-2192	2192-2193	2193-2194	2194-2195	2195-2196	2196-2197	2197-2198	2198-2199	2199-2200	2200-2201	2201-2202	2202-2203	2203-2204	2204-2205	2205-2206	2206-2207	2207-2208	2208-2209	2209-2210	2210-2211	2211-2212	2212-2213	2213-2214	2214-2215	2215-2216	2216-2217	2217-2218	2218-2219	2219-2220	2220-2221	2221-2222	2222-2223	2223-2224	2224-2225	2225-2226	2226-2227	2227-2228	2228-2229	2229-2230	2230-2231	2231-2232	2232-2233	2233-2234	2234-2235	2235-2236	2236-2237	2237-2238	2238-2239	2239-2240	2240-2241	2241-2242	2242-2243	2243-2244	2244-2245	2245-2246	2246-2247	2247-2248	2248-2249	2249-2250	2250-2251	2251-2252	2252-2253	2253-2254	2254-2255	2255-2256	2256-2257	2257-2258	2258-2259	2259-2260	2260-2261	2261-2262	2262-2263	2263-2264	2264-2265	2265-2266	2266-2267	2267-2268	2268-2269	2269-2270	2270-2271	2271-2272	2272-2273	2273-2274	2274-2275	2275-2276	2276-2277	2277-2278	2278-2279	2279-2280	2280-2281	2281-2282	2282-2283	2283-2284	2284-2285	2285-2286	2286-2287	2287-2288	2288-2289	2289-2290	2290-2291	2291-2292	2292-2293	2293-2294	2294-2295	2295-2296	2296-2297	2297-2298	2298-2299	2299-2300	2300-2301	2301-2302	2302-2303	2303-2304	2304-2305	2305-2306	2306-2307	2307-2308	2308-2309	2309-2310	2310-2311	2311-2312	2312-2313	2313-2314	2314-2315	2315-2316	2316-2317	2317-2318	2318-2319	2319-2320	2320-2321	2321-2322	2322-2323	2323-2324	2324-2325	2325-2326	2326-2327	2327-2328	2328-2329	2329-2330	2330-2331	2331-2332	2332-2333	2333-2334	2334-2335	2335-2336	2336-2337	2337-2338	2338-2339	2339-2340	2340-2341	2341-2342	2342-2343	2343-2344	2344-2345	2345-2346	2346-2347	2347-2348	2348-2349	2349-2350	2350-2351	2351-2352	2352-2353	2353-2354	2354-2355	2355-2356	2356-2357	2357-2358	2358-2359	2359-2360	2360-2361	2361-2362	2362-2363	2363-2364	2364-2365	2365-2366	2366-2367	2367-2368	2368-2369	2369-2370	2370-2371	2371-2372	2372-2373	2373-2374	2374-2375	2375-2376	2376-2377	2377-2378	2378-2379	2379-2380	2380-2381	2381-2382	2382-2383	2383-2384	2384-2385	2385-2386	2386-2387	2387-2388	2388-2389	2389-2390	2390-2391	2391-2392	2392-2393	2393-2394	2394-2395	2395-2396	2396-2397	2397-2398	2398-2399	2399-2400	2400-2401	2401-2402	2402-2403	2403-2404	2404-2405	2405-2406	2406-2407	2407-2408	2408-2409	2409-2410	2410-2411	2411-2412	2412-2413	2413-2414	2414-2415	2415-2416	2416-2417	2417-2418	2418-2419	2419-2420	2420-2421	2421-2422	2422-2423	2423-2424	2424-2425	2425-2426	2426-2427	2427-2428	2428-2429	2429-2430	2430-2431	2431-2432	2432-2433	2433-2434	2434-2435	2435-2436	2436-2437	2437-2438	2438-2439	2439-2440	2440-2441	2441-2442	2442-2443	2443-2444	2444-2445	2445-2446	2446-2447	2447-2448	2448-2449	2449-2450	2450-2451	2451-2452	2452-2453	2453-2454	2454-2455	2455-2456	2456-2457	2457-2458	2458-2459	2459-2460	2460-2461	2461-2462	2462-2463	2463-2464	2464-2465	2465-2466	2466-2467	2467-2468	2468-2469	2469-2470	2470-2471	2471-2472	2472-2473	2473-2474	2474-2475	2475-2476	2476-2477	2477-2478	2478-2479	2479-2480	2480-2481	2481-2482	2482-2483	2483-2484	2484-2485	2485-2486	2486-2487	2487-2488	2488-2489	2489-2490	2490-2491	2491-2492	2492-2493	2493-2494	2494-2495	2495-2496	2496-2497	2497-2498	2498-2499	2499-2500	2500-2501	2501-2502	2502-2503	2503-2504	2504-2505	2505-2506	2506-2507	2507-2508	2508-2509	2509-2510	2510-2511	2511-2512	2512-2513	2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City Planning Commission (to June 2002)

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